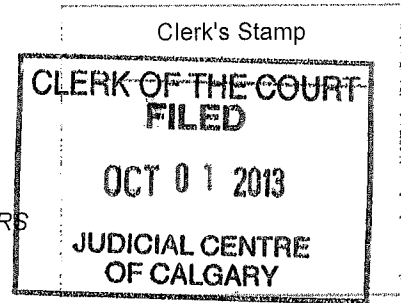


COURT FILE NUMBER 1201-12537
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, C. B-9

AND IN THE MATTER OF HOMERUN CAPITAL CORP., HOMERUN EQUITIES INC., HOMERUN CAPITAL II CORP., HOMERUN EQUITIES II INC., HOMERUN INTERNATIONAL INC., HOMERUN PROPERTIES INC., HOMERUN SECURITIES INC., 1484106 ALBERTA LTD., 1496044 ALBERTA LTD., 1539149 ALBERTA LTD., and 1515997 ALBERTA LTD.

DOCUMENT AFFIDAVIT OF DEFAULT OF JOAN MORGAN

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Parlee McLaws LLP
Barristers & Solicitors
Patent & Trade-Mark Agents
3400 Suncor Energy Centre
150-6 Avenue SW
Calgary, Alberta T2P 3Y7

Attention: Brent W. Mescall
Telephone: (403) 294-7544
Facsimile: (403) 265-8263
File No.: 71728.2/BWM

Solicitors for Tera Sjoberg, Aileen Shewchuk, Jim Hopkins, Daphne Chandler, Steve Bell, S & H Property Group Ltd., GULI Holdings Ltd., Larry Kube, Ralph Schafer, Earl Werk, Perla Werk, Rod Yoshida, Marc Fortin, Constance Fossen, Ken Fossen, Patrick Aull, Joan Morgan, Gary Morgan, Cherie Chiodo, Andrew Sroka, Lori Stach and Mike Skinner

AFFIDAVIT OF JOAN MORGAN

Sworn on July 18th, 2013

I, JOAN MORGAN, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am one of the mortgagees of a Mortgage dated April 6, 2009 and registered against the Land (as hereinafter defined) in the Land Titles Office as Instrument No. 091 144 786 on May 27, 2009

(hereinafter, the "Mortgage"), and as such I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, and in which case, I do verily believe the same to be true.

2. I have authority to also speak on behalf of my husband, Gary Morgan, who is also listed as a mortgagee of the Mortgage.
3. On April 6, 2009, myself and my husband, Gary Morgan, loaned to Homerun International Inc. ("Homerun International") the sum of \$100,000 (the "Principal"). Pursuant to the terms of the Mortgage, Homerun International, as the Mortgagor, covenanted to pay to us, as well as to the other persons identified as Earl Werk and Perla Werk,, Barbara J. McMaster, Rod Yoshida, Andrew Sroka, Marc Fortin, Constance Fossen, Patrick Aull, Allan Blain, Cherie Chiodo, Lori Stach, Myrtle Maksymytz and Mike Skinner (collectively, the "Mortgagees") the Principal that we loaned and the principal amount that each of the other Mortgagees loaned, as follows:

"2. First, that I will pay to the Mortgagee in lawful money of Canada the sum lent to me as aforesaid with interest thereon at **SIXTEEN PER CENTUM (16%) per annum**, calculated yearly not in advance, as well after as before maturity of this mortgage until paid, as follows:

Interest at the aforesaid rate on the amounts from time to time advanced, computed from the respective dates of such advances shall become due and be paid within one month from the date of the first advance on the date that the Mortgagee determines, and at monthly intervals thereafter, and in addition, at the option of the Mortgagee, may be deducted from each subsequent advance, and the balance, if any of the aforesaid interest on advances shall become due and be paid on the **1st day of MAY, 2009**, (hereinafter referred to as the "interest adjustment date"), and thereafter the aforesaid sum together with interest thereon at the aforesaid rate computed from the interest adjustment date shall become due and be paid as follows:

TWO HUNDRED AND FORTY THOUSAND-----(\$240,000.00)-----00/100 DOLLARS (including interest only) on the **1st day of MAY, 2010**, and the **1st day of MAY, 2011**, and the balance, if any, of the said principal sum and interest thereon, on the date last mentioned."

Attached hereto and marked respectively as Exhibit "A" is a true copy of the Mortgage.

4. Pursuant to the terms of the Mortgage, Homerun International, as the mortgagor, mortgaged to us and to the other Mortgagees all of its estate and interest in the land legally described as follows:

PLAN 8910156
 BLOCK 8
 LOT 5
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 1.64 HECTARES (4.05 ACRES) MORE OR LESS

(the "Land")

to secure the repayment of the principal sum of \$1,500,000.00, which is inclusive of the Principal that we loaned, and all interest and other mortgage monies secured under the Mortgage. Attached hereto and marked respectively as Exhibit "B" is a true copy of the Certificate of Title of the Land.

5. The Mortgagor has defaulted upon these terms, as it has failed to pay the following:
 - 1) all of the monthly interest payments that are due and owing to myself and my husband, Gary Morgan, under the Mortgage;
 - 2) the amounts of \$240,000.00 which were due on May 1, 2010 and May 1, 2011; and
 - 3) the outstanding Principal and interest owing to myself and my husband, Gary Morgan, under the Mortgage.

6. By way of Postponements of Mortgage registered in the Land Titles Office as Instrument No. 091 144 787 on May 27, 2009, a mortgage registered against the Land in the Land Titles Office as Instrument No. 081 242 024 on July 10, 2008 was postponed in priority to the Mortgage. Attached and marked as Exhibit "C" to this Affidavit, is a copy of the Postponements of Mortgage.

7. I am advised by Mr. Mescall, and do verily believe, that on October 9, 2012, our solicitors, Parlee McLaws LLP, sent a letter to solicitors for Homerun International, Borden Ladner Gervais LLP, demanding payment of amounts outstanding pursuant to the Mortgage (as well as amounts owing under the Prior Mortgage), however, Homerun International has failed and/or refused to pay any of those amounts owing under the Mortgage or the Prior Mortgage. Attached hereto and marked as Exhibit "D" is a true copy of the letter dated October 9, 2012.

8. There is owing to myself and my husband, Gary Morgan, pursuant to the Mortgage, the principal sum of \$100,000, together with accrued interest in the amount of \$20,490 as of May 10, 2013, plus legal fees and disbursements. The interest that the Mortgagor owes to myself and my

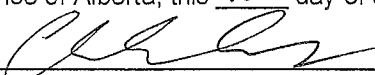
husband, Gary Morgan, under the Mortgage is continuing to accrue at a per diem rate of \$43.84 per day.

- 9. The Mortgage further provided in paragraph 16 that the Mortgagor covenanted to pay and granted the Mortgagees a charge in the Land to secure payment of the Mortgagees' solicitor's fees and expenses and all legal costs and other expenses of the Mortgagees, as follows:

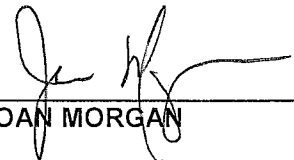
"16. All solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this mortgage and for examining the mortgaged premises and the title thereto, and for making or maintaining this mortgage a first charge on the mortgaged premises, together with all sums which the Mortgage may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, taxes or rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the mortgaged premises or on this mortgage or on the Mortgagee in respect of this mortgage, and in maintaining, repairing, restoring or completing the mortgaged premises, and in inspecting, leasing, managing, or improving the mortgaged premises, including the price or value of any goods of any sort or description supplied to be used on the mortgaged premises, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting, and legal costs, as between solicitor and client, and an allowance for time, work and expenses of the Mortgagee, or of any agent, solicitor or employee of the Mortgage, for any purpose herein provided for and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and shall be a charge on the mortgaged premises, together with interest thereon at the said rate, and all such moneys shall be repayable to the Mortgagee on demand, or if not demanded then with the next ensuing instalment, except as herein otherwise provided, and all such sums together with interest thereon are included in the expression "the mortgage money"." [Emphasis Added]

- 10. I make this Affidavit in support of the Mortgagees' Application to declare the Mortgage valid and enforceable, to determine the amounts owing under the Mortgage, and for relief sought in the Application on behalf of myself and my husband, Gary Morgan.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 18th day of July, 2013.


 (A Commissioner of Oaths in and for the Province of Alberta) **CHARLES W. ANG**
Barrister & Solicitor

 PRINT NAME AND EXPIRY



JOAN MORGAN

TAB A

MORTGAGE
THE LAND TITLES ACT

1 HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place, N.W., Calgary, Alberta, T3G 5H3, (hereinafter called "the 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, in all the piece of land described as follows:

PLAN 8910156
BLOCK 8
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
CONTAINING 1.64 HECTARES (4.05 ACRES) MORE OR LESS

In consideration of the sum of ONE MILLION FIVE HUNDRED THOUSAND (\$1,500,000.00) DOLLARS lent to the Mortgagor by EARL WERK and PERLA WERK, as to an undivided 6.6667 percent interest, BARBARA J. MCMASTER, as to an undivided 6.6667 percent interest, ROD YOSHIDA, as to an undivided 6.6667 percent interest, ANDREW SROKA, as to an undivided 6.6667 percent interest, MARC FORTIN, as to an undivided 13.3333 percent interest, CONSTANCE FOSSEN, as to an undivided 6.6667 percent interest, PATRICK AULL, as to an undivided 7.0 percent interest, JOAN MORGAN and GARY MORGAN, as to an undivided 6.6667 percent interest, ALLAN BLAIN, as to an undivided 11.6666 percent interest, CHERIE CHIODO, as to an undivided 8.3333 percent interest, MYRTLE MAKSYMITYZ, as to an undivided 15 percent interest, and LORI STACH and MIKE SKINNER, as to an undivided 4.6666 percent interest, all c/o 105, 4715 - 13th Street, N.E., Calgary, Alberta, T2E 6M3, who and whose successors and assigns are hereinafter included in the expression "the Mortgagee", the receipt of which sum I do hereby acknowledge, covenant with the Mortgagee:

2 First, that I will pay to the Mortgagee in lawful money of Canada the sum lent to me as aforesaid with interest thereon at SIXTEEN per centum (16%) per annum, calculated yearly not in advance, as well after as before maturity of this mortgage until paid, as follows:

Interest at the aforesaid rate on the amounts from time to time advanced, computed from the respective dates of such advances shall become due and be paid within one month from the date of the first advance on the date that the Mortgagee determines, and at monthly intervals thereafter, and in addition, at the option of the Mortgagee, may be deducted from each subsequent advance, and the balance, if any, of the aforesaid interest on advances shall become due and be paid on the 1st day of MAY, 2009, (hereinafter referred to as the "interest adjustment date"), and thereafter the aforesaid sum together with interest thereon at the aforesaid rate computed from the interest adjustment date shall become due and be paid as follows:

TWO HUNDRED AND FORTY THOUSAND-----(\$240,000.00)-----
--00/100 DOLLARS (including interest only) on the 1st day of MAY, 2010, and the 1st day of
MAY, 2011, and the balance, if any, of the said principal sum and interest thereon, on the date last
mentioned.

3 Provided that the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the rights of the Mortgagee under the said covenants, or of the Mortgagee's security by way of a charge against the said lands, or affect the Mortgagee's right to interest at the above rate on any money due and owing to the Mortgagee under the covenants herein contained, it being understood and agreed that the said rate of interest shall be payable on any judgment taken thereon.

4 The Mortgagor, when not in default hereunder, shall have the privilege of paying the whole amount owing hereunder, or any part thereof, without notice, bonus or interest.

5 Second, that I will pay to the Mortgagee interest as aforesaid in the manner aforesaid on the said sum at the rate aforesaid and all interest on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the rate aforesaid as well after as before maturity of this mortgage, to be computed with rests and paid on the interest adjustment date and semi-annually thereafter in each year and all such interest and compound interest shall be a charge on the said lands. In the event of non-payment of any of the money hereby secured at the time herein set for payment thereof I will, so long as any part thereof remains unpaid, pay interest at the said rate from day to day on the same.

6 Third, I will construct a building or buildings and other improvements on the said lands in accordance with plans and specifications which have been or are hereafter approved by the Mortgagee and will carry on diligently to completion the construction of the said building, buildings and other improvements.

7 Fourth, that, subject as hereinafter in this paragraph provided, I will pay when and as the same fall due all taxes, rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged premises 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 mortgaged premises:

(a) The Mortgagee may deduct from the final advance of the money secured by this mortgage an amount sufficient to pay the taxes which have become or will become due and payable on or before the day preceding the said interest adjustment date and are unpaid at the date of such final advance.

This is Exhibit "A" referred to
in the Affidavit of
Joan Morgan
Sworn before me this 18th
Day of July A.D. 2013
Cher
A Commissioner for Oaths in and for
the Province of Alberta

CHARLES W. ANG
Barrister & Solicitor

- (b) After the interest adjustment date I shall pay to the Mortgagee in monthly instalments on the dates on which instalments of principal and interest are payable hereunder, sums sufficient to enable the Mortgagee to pay the whole amount of taxes on or before the due date for payment thereof or, if payable in instalments, on or before the due date for payment of the first instalment thereof.
- (c) Where the period between the interest adjustment date and the next following annual due date or first instalment date is less than one year I shall pay to the Mortgagee in equal monthly instalments, during such period and during the next succeeding 12-month period, an amount estimated by the Mortgagee to be sufficient to pay, on or before the expiration of the said 12-month period, all taxes which shall become due and payable during the said two periods and during the balance of the year in which the said 12-month period expires; and I shall also pay to the Mortgagee on demand the amount, if any, by which the actual taxes exceed such estimated amount.
- (d) Except as provided in the last preceding clause, I 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 I shall also pay to the Mortgagee on demand the amount, if any, by which the actual taxes exceed such estimated amount.
- (e) The Mortgagee shall allow me credit for interest at not less than the prevailing rate allowed by the chartered banks on personal savings deposits with chequing privileges, on the minimum monthly balances standing in the mortgage account from time to time to my credit for payment of taxes, such interest to be credited to the mortgage account not less frequently than once each year; and I shall be charged interest, at the mortgage rate, on the debit balance, if any, of taxes in my mortgage account outstanding after payment of taxes by the Mortgagee, until such debit balance is fully repaid.

The Mortgagee agrees to apply such deduction and payments on the taxes chargeable against the said lands so long as the Mortgagor is not in default under any covenant, proviso or agreement contained herein, 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 been so applied, there shall be default by the Mortgagor 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 interest in default. The Mortgagor further covenants and agrees to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by him.

- 8 Notwithstanding the provisions of clauses 2 and 7, the Mortgagee may request the Mortgagor to pay the taxes as and when such taxes become due and to submit to the Mortgagee tax receipts evidencing the payment of the said taxes within 30 days after they become due, and in such case, the aforesaid monthly instalment, where applicable, will be adjusted accordingly.
- 9 Fifth, that I will forthwith insure and during the continuance of this security keep insured in favour of the Mortgagee, against loss or damage by fire and, as the Mortgagee may require, insure against loss or damage by tempest, tornado, cyclone, lightning, floods and other risks or hazards, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter, for the full replacement value thereof in lawful money of Canada in a company approved by the Mortgagee; and I will forthwith assign, transfer and deliver over unto the Mortgagee the policy of insurance and receipts thereof appertaining; and if I shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Mortgagee at least five days before the termination of any insurance, evidence of renewal thereof, the Mortgagee shall be entitled but shall not be obliged to insure the said buildings or any of them; and I shall forthwith on the happening of any loss or damage, furnish at my own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance money; and any insurance money received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the premises or be paid to me or any other person appearing by the registered title to be or to have been the owner of the said premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the mortgage debt or any part thereof whether due or not then due.
- 10 Sixth, that all erections and improvements fixed or otherwise now on or hereafter put upon the said premises, including but without limiting the generality of the foregoing, all fences, heating, plumbing, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the realty and of the security and are included in the expression "the mortgaged premises"; and that I will not commit or permit any act of waste thereon; and that I will at all times during the continuance of this security, the same repair, maintain, restore, amend, keep, make good, finish, add to and put in order; and in the event of any loss or damage thereto or destruction thereof the Mortgagee may give notice to me to repair, rebuild, or reinstate the same within a time to be determined by the Mortgagee and to be stated in such notice; and upon my failure so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the mortgage money shall at the option of the Mortgagee become immediately due and payable, without any demand by the Mortgagee upon me.
- 11 Seventh, I covenant and agree with the Mortgagee that in the event of default in the payment of any instalment or any other money payable hereunder by me, or on breach of any covenant, proviso or agreement herein contained, after all or any part of the money hereby secured have been advanced, the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the mortgaged premises, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the mortgaged property as the Mortgagee may deem expedient; and all reasonable costs, charges and expenses, including allowances for the time and service of any employee of the Mortgagee or other person appointed for the above purposes, shall be forthwith payable to the Mortgagee and shall be a charge upon the mortgaged property and shall bear interest at the mortgage rate until paid.

- 12 I further covenant and agree with the Mortgagee that in the event of default being made in any of the covenants, agreements, provisos or stipulations expressed or implied herein: the Mortgagee may, at my expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation; the Mortgagee may send or employ an Inspector or agent to inspect and report upon the value, state and condition of the mortgaged premises and a solicitor to examine and report upon the title to the same; the Mortgagee or agent of the Mortgagee may enter into possession of the mortgaged premises and whether in or out of possession collect the rents and profits thereof, and make any demise or lease of the said premises, or any part thereof, for such terms and periods and at such rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease; it shall and may be lawful for and I do hereby grant full power, right and licence to the Mortgagee to enter, seize and distrain upon the mortgaged premises, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises, as much of the mortgage money 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; the Mortgagee may sell and dispose of the mortgaged premises with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the mortgaged premises; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this mortgage may be exercised; and any notice may be effectually given by leaving the same with an adult person on the mortgaged premises if occupied, or by placing the same thereon, or on any part thereof, if unoccupied, or at the option of the Mortgagee by publishing the same in some newspaper published in the Province of Alberta; and such notice shall be sufficient though not otherwise addressed than "To whom it may concern"; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the mortgaged premises hereunder, but the Vendor alone shall be responsible; and the Mortgagee may sell, transfer and convey any part of the mortgaged premises on such terms as to credit or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for such prices as can reasonably be obtained therefor; and in the event of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any money until the same shall be actually received in cash; and sales may be made from time to time of parts of the mortgaged premises to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper, and may buy in or rescind or vary and contract for sale; and on any sale or resale, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; the whole of the mortgage money shall, at the option of the Mortgagee, become due and payable.
- 13 I also covenant and agree with the Mortgagee that the taking of a judgement on any of the covenants or agreements herein contained shall not operate as a merger thereof; the Mortgagee may at all times release any part or parts of the said lands or any other security or any surety for payment of all or any part of the money hereby secured or may release the Mortgagor or any other person from any covenant or other liability to pay the said money or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any money except those actually received by the Mortgagee, and without thereby releasing any other part of the said lands, or any other securities or covenants herein contained; it being especially agreed that notwithstanding any such release the lands, securities and covenants remaining unreleased shall stand charged with the whole of the money hereby secured; no extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under him, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for payment of the money hereby secured.
- 14 It is the intention of the parties hereto that the building now erected, being erected or to be erected on the said lands forms part of the security for the full amount of the money secured by this mortgage and that advances on this mortgage are to be from time to time in the future in accordance with the progress of construction of such building and upon its completion and occupation or sale.
- 15 Neither the execution nor registration of this mortgage nor the advance of part of the said money shall bind the Mortgagee to advance the said money or any unadvanced part thereof, and that the advance of the said money or any part thereof from time to time shall be in the sole discretion of the Mortgagee.
- 16 All solicitor's, Inspector's, Valuator's and surveyor's fees and expenses for drawing and registering this mortgage and for examining the mortgaged premises and the title hereto, and for making or maintaining this mortgage a first charge on the mortgaged premises, together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, taxes or rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the mortgaged premises or on this mortgage or on the Mortgagee in respect of this mortgage, and in maintaining, repairing, restoring or completing the mortgaged premises, and in inspecting, leasing, managing, or improving the mortgaged premises, including the price or value of any goods of any sort or description supplied to be used on the mortgaged premises, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting, and legal costs, as between solicitor and client, and an allowance for the time, work and expenses of the Mortgagee, or of any agent, solicitor or employee of the Mortgagee, for any purpose herein provided for and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and shall be a charge on the mortgaged premises, together with interest thereon at the said rate, and all such moneys shall be repayable to the Mortgagee on demand, or if not demanded then with the next ensuing instalment, except as herein otherwise provided, and all such sums together with interest thereon are included in the expression "the mortgage money".
- 17 In the event of the mortgage money advanced hereunder, or any part thereof, being applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party so paid off, whether such charge or encumbrance has or has not been discharged, and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this mortgage or of any claim so paid off shall be final and binding on the Mortgagor; the Mortgagee shall not be charged with any money receivable or collectible out of the mortgaged premises or otherwise, except those actually received; and all revenue of the said premises received or collected by the Mortgagee from any source other than payment by the Mortgagor may at the option of the Mortgagee, be used in maintaining or insuring or improving the mortgaged premises, or in payment of taxes or other charges against the mortgaged premises, or applied on the mortgage account.

- 18 I shall not make, or permit to be made, any alterations or additions to the mortgaged premises without the consent of the Mortgagee; and I shall not use the mortgaged premises or permit them to be used for the purpose of any business, trade or manufacture of any description; the Mortgagee may, at any time, enter upon the said lands to inspect the lands and buildings thereon.
- 19 All money whether principal, interest or other moneys payable to the Mortgagee under the terms of this mortgage shall be payable in lawful money of Canada to the Mortgagee, at its Head Office or such other place as may be designated by the Mortgagee.
- 20 Wherever the singular number or the masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context so requires; and in any case where this mortgage is executed by more than one party all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several; and the heirs, executors, administrators, successors and assigns of any party executing this mortgage are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained.
- 21 The covenant, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.
- 22 I further covenant and agree with the Mortgagee that I have a good title to the said land, that I have the right to mortgage the said land, that I will execute such further assurances of the said land as may be requisite, that I have done no act to encumber the said land, and that on default the Mortgagee shall have quiet possession of the said land, free from all encumbrances.
- 23 The Mortgagee shall have a reasonable time after payment of the mortgage money in full within which to prepare and execute a discharge of this mortgage; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expense for the preparation and execution of such discharge shall be borne by the Mortgagor.
- 24 For the better securing to the Mortgagee the repayment in the manner aforesaid of the principal sum and interest and other mortgage money hereby secured, I, the Mortgagor, do hereby mortgage to the Mortgagee all my estate and interest in the land above described.
- 25 In the event of transfer or transmission of the said property to any third party by court order or other similar process or action, all money hereby secured with accrued interest thereon shall forthwith become due and payable; provided that this clause shall not apply if the grantee or transferee shall have been approved by the Mortgagee (such approval to be in the Mortgagee's sole discretion) and shall have executed and delivered to the Mortgagee an assumption agreement in respect of this mortgage in a form and content determined by the Mortgagee. This clause shall not be construed to affect transfers by devise or descent or by operation of law upon the death of a joint tenant or partner.
- 26 The Mortgagee or its agent or agent may, at any time, before or after default, and for any purpose deemed necessary by the Mortgagee, enter upon the said lands to inspect the lands and the buildings thereon. Without in any way limiting the generality of the foregoing, the Mortgagee may enter upon the said lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Mortgagee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, shall be payable by the Mortgagor forthwith and shall be a charge upon the said lands. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee to be in possession, management or control of the said lands.
- 27 In return for the Mortgagee having made a loan to the Mortgagor, each person who signs this mortgage as Guarantor covenants with the Mortgagee, as principal debtor and not as surety, to pay the Mortgagee the mortgage money secured by this mortgage as and when required by this mortgage and will observe and perform all other obligations of the Mortgagor under the provisions of this mortgage. Each Guarantor, if there is more than one, will be jointly and severally liable with the Mortgagor, and with each other for complying with obligations under this mortgage.

The Mortgagee may at any time and from time to time without the consent of or notice to the Guarantors give any extension of time for payment (including without limitation renewals), deal with any additional security, give releases or discharges, increase the interest rate, amend the terms of this mortgage and generally deal with all matters affecting the mortgage and the obligations of the Mortgagor without in any way affecting the guarantee or the obligations of any Guarantor. The Mortgagee may require payment from any Guarantor before the Mortgagee attempts to obtain a payment from the Mortgagor, and all obligations of any Guarantor's successors or personal representatives, and shall not be altered by the bankruptcy of the Mortgagor or any Guarantor.

Each Guarantor acknowledges having received and read a copy of this mortgage, is fully aware of its terms and agrees to be bound by all the provisions of this mortgage.

- 28 This mortgage is made in pursuance of the Land Titles Act.

IN WITNESS WHEREOF, the Mortgagors have signed, this _____ day of APRIL, 2009.

HOMERUN INTERNATIONAL INC.

Per:

Per:

SCHEDULE "A"

1. The Mortgagor covenants and agrees with the Mortgagee that in the event of the Mortgagor selling, conveying, transferring or entering into an Agreement for Sale of or Transfer of Title to the property hereby mortgaged, all monies hereby secured, with accrued interest thereon, shall forthwith become due and payable.
2. In the event that the Property is subdivided and sold in individual lots, the Mortgagees agree that they will provide a partial discharge of mortgage for the individual lots being sold, upon payment of one-half (1/2) of the net sales proceeds from each lot sold until the full amount of the principal of the mortgage and the interest outstanding on the mortgage have been paid in full. Deductions permitted from the net sales proceeds include but are not limited to real estate commissions, property taxes, pro rata share of development costs for the lot being sold and legal fees.
3. Should any section or part hereunder be considered void or unlawful, it is agreed that only that part or section which is considered void or unlawful should be struck from the mortgage.

TAB B



LAND TITLE CERTIFICATE

S LINC SHORT LEGAL TITLE NUMBER
0011 134 962 8910156;8;5 091 144 785

LEGAL DESCRIPTION
PLAN 8910156
BLOCK 8
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.64 HECTARES (4.05 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;2;25;20;NE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 081 090 076

This is Exhibit "B" referred to in the Affidavit of

Jean Morgan

Sworn before me this 18th

Day of July A.D. 2013

[Signature]

A Commissioner for Oaths in and for the Province of Alberta

CHARLES W. ANG Barrister & Solicitor

Table with 5 columns: REGISTRATION, DATE (DMY), REGISTERED OWNER(S) DOCUMENT TYPE, VALUE, CONSIDERATION. Row 1: 091 144 785, 27/05/2009, TRANSFER OF LAND, \$2,950,000, CASH & MORTGAGE

OWNERS
HOMERUN INTERNATIONAL INC..
OF 9 ROCKY RIDGE PLACE NW
CALGARY
ALBERTA T3G 5H3

ENCUMBRANCES, LIENS & INTERESTS

Table with 3 columns: REGISTRATION NUMBER, DATE (D/M/Y), PARTICULARS. Row 1: 1535KQ, 11/12/1969, CAVEAT RE : EASEMENT CAVEATOR - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED.

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
091 144 785

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
751 087 830	18/08/1975	UTILITY RIGHT OF WAY GRANTEE - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED. "20 FT. STRIP DESCRIBED IN INSTRUMENT"
031 326 514	23/09/2003	EASEMENT OVER LOT 6 BLOCK 8 PLAN 8910156 FOR BENEFIT OF LOT 5 BLOCK 8 PLAN 8910156
031 423 927	05/12/2003	EASEMENT AS TO PORTION OR PLAN: 0313440 OVER LOT 5, BLOCK 8, PLAN 8910156 FOR BENEFIT OF LOT 6MR, BLOCK 5, PLAN 9712005
081 242 024	10/07/2008	MORTGAGE MORTGAGEE - TERA SJOBERG MORTGAGEE - AILEEN SHEWCHUK MORTGAGEE - JIM HOPKINS MORTGAGEE - DAPHNE CHANDLER MORTGAGEE - STEVE BELL MORTGAGEE - S & H PROPERTY GROUP LTD.. MORTGAGEE - GULI HOLDINGS LTD.. MORTGAGEE - LARRY KUBE MORTGAGEE - RALPH SCHAFER ALL OF : C/O 105, 4715- 13 ST NE CALGARY ALBERTA T2E6M3 ORIGINAL PRINCIPAL AMOUNT: \$903,657
091 144 786	27/05/2009	MORTGAGE MORTGAGEE - EARL WERK MORTGAGEE - PERLA WERK MORTGAGEE - BARBARA J MCMASTER MORTGAGEE - ROD YOSHIDA . MORTGAGEE - ANDREW SROKA MORTGAGEE - MARC FORTIN MORTGAGEE - CONSTANCE FOSSEN MORTGAGEE - KEN FOSSEN MORTGAGEE - PATRICK AULL MORTGAGEE - JOAN MORGAN MORTGAGEE - GARY MORGAN MORTGAGEE - ALLAN BLAIN MORTGAGEE - CHERIE CHIDO MORTGAGEE - MYRTLE MAKSYMITYZ MORTGAGEE - LORI STACH

(CONTINUED)

SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

TAB C

ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE

IMAGE OF DOCUMENT REGISTERED AS:

091144787

ORDER NUMBER: 23549310

This is Exhibit "C" referred to
in the Affidavit of
Joan Morgan
Sworn before me this 18th
Day of July A.D. 2013
[Signature]
A Commissioner for Oaths in and for
the Province of Alberta

CHARLES W. ANG
Barrister & Solicitor

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.

POSTPONEMENT OF MORTGAGE

3B 3A LTD.

TERA SJOBERG, AILEEN SHEWCHUK, JIM HOPKINS, DAPHNE CHANDLER, STEVE BELL, S & H PROPERTY GROUP LIMITED, GULI HOLDINGS INC., LARRY KUBE and RALPH SCHAFFER, all of 105, 4715 - 13th Street, NE, Calgary, Alberta, T2E 6M3, hereby agree to the postponement of all its rights as mortgagee under a mortgage registered on the 10th day of July, 2008, as instrument no. 081 242 024 in the following lands, namely:

PLAN 8910156
BLOCK 8
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS

Amended by solicitor for the mortgagee: May 26, 2009
Gerry A. Percout

to the rights of the mortgagees in and to a certain mortgage granted to HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place, NW, Calgary, Alberta, T3G 5H3, dated April 6, 2009, and registered on April _____, 2009 as instrument no. 091 _____, to secure the repayment of the sum of ONE MILLION, FIVE HUNDRED THOUSAND Dollars (\$1,500,000.00) and interest. This Postponement may be signed in counterpart.

IN WITNESS WHEREOF, we have caused this postponement of mortgage to be signed, this 5 day of April, 2009.

May 27

May 27, 2009
091 144 786

Witness

TERA SJOBERG

AFFIDAVIT OF WITNESS

CANADA) I, Gerry A. Peacock,
PROVINCE OF ALBERTA) of Calgary, Alberta,
TO WIT:) MAKE OATH AND SAY THAT:

1. I was personally present and did see TERA SJOBERG named in the within (or annexed) instrument, personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
2. The same was executed at Calgary, Alberta, and I am the subscribing witness thereto.
3. I know the said party, who is in my belief of the full age of 18 years.

SWORN BEFORE ME at Calgary,
Alberta on ~~April~~ 5, 2009.
May

Deborah L. Sullivan
A Commissioner of Oaths in and for
The Province of Alberta

Gerry A. Peacock
Gerry A. Peacock

Deborah L. Sullivan
Commission Expires July 7 2010

POSTPONEMENT OF MORTGAGE

TERA SJOBERG, AILEEN SHEWCHUK, JIM HOPKINS, DAPHNE CHANDLER, STEVE BELL, S & H PROPERTY GROUP LIMITED., GULI HOLDINGS INC., LARRY KUBE and RALPH SCHAFFER, all of 105, 4715 - 13th Street, NE, Calgary, Alberta, T2E 6M3, hereby agree to the postponement of all its rights as mortgagee under a mortgage registered on the 10th day of July, 2008, as instrument no. 081 242 024 in the following lands, namely:

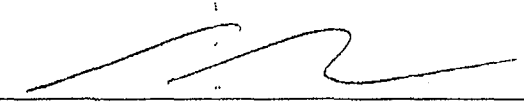
2/21d. MP

PLAN 8910156
BLOCK 8
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS

*Air-ended by solicitor
for the mortgagee, this
26th day of May 2009
Garry A. Hancock*

to the rights of the mortgagees in and to a certain mortgage granted to HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place, NW, Calgary, Alberta, T3G 5H3, dated April 6, 2009, and registered on April _____, 2009 as instrument no. 091 _____, to secure the repayment of the sum of ONE MILLION, FIVE HUNDRED THOUSAND Dollars (\$1,500,000.00) and interest. This Postponement may be signed in counterpart.

IN WITNESS WHEREOF, we have caused this postponement of mortgage to be signed, this 30 day of April, 2009.



Witness




AILEEN SHEWCHUK

AFFIDAVIT OF WITNESS

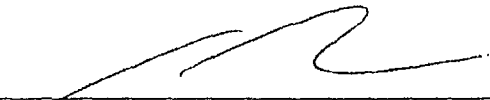
CANADA) I, Gerry A. Peacock,
PROVINCE OF ALBERTA) of Calgary, Alberta,
TO WIT:) MAKE OATH AND SAY THAT:

1. I was personally present and did see AILEEN SHEWCHUK named in the within (or annexed) instrument, personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
2. The same was executed at Calgary, Alberta, and I am the subscribing witness thereto.
3. I know the said party, who is in my belief of the full age of 18 years.

SWORN BEFORE ME at Calgary,)
Alberta on April 30, 2009.)



A Commissioner of Oaths in and for)
The Province of Alberta)



Gerry A. Peacock)

Deborah L. Sullivan
Commission Expires July 7 2010


POSTPONEMENT OF MORTGAGE

We, TERA SJOBERG, AILEEN SHEWCHUK, JIM HOPKINS, DAPHNE CHANDLER, STEVE BELL, S & H PROPERTY GROUP LIMITED, GULI HOLDINGS INC., LARRY KUBE, and RALPH SCHAFER, all of #105, 4715 13 Street N.E., Calgary, Alberta, T2E 6M3, hereby agree to the postponement of all its rights as mortgagee under a mortgage registered on the 10th day of July, 2008, as instrument No.: 081 242 024 in the following lands, namely:

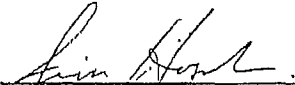
PLAN 8910156
BLOCK ~~8~~ 8 ^{SP}
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS

to the rights of the mortgagees in and to a certain mortgage granted to HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place N.W., Calgary, Alberta, T3G 5H3, dated the 6th day of April 2009, and registered on May _____, 2009 as instrument No.: _____, to secure the repayment of the sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) and interest. This Postponement may be signed in counterpart.

IN WITNESS WHEREOF I have hereunto subscribed my name this 1st day of May, 2009.



WITNESS

)
)
)
)
)
)
)


JIM HOPKINS

*Amendments by the solicitor for the mortgagee this 26th day of May, 2009.
Gerry A Peacock*

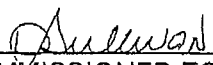
SP

AFFIDAVIT OF WITNESS

CANADA) I, GERRY A. PEACOCK, OF THE CITY OF CALGARY,
PROVINCE OF ALBERTA) IN THE PROVINCE OF ALBERTA, MAKE OATH AND
TO WIT) SAY:

1. I was personally present and did see **JIM HOPKINS** named in the within (or annexed) instrument, personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
2. The same was executed at the City of Calgary, Alberta, and I am the subscribing witness thereto.
3. I know the said party, who is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City of Calgary,)
in the Province of Alberta, this 1 day of)
May, A.D. 2009.)



A COMMISSIONER FOR OATHS IN AND)
FOR THE PROVINCE OF ALBERTA)



GERRY A. PEACOCK

Deborah L. Sullivan
Commission Expires July 7 2010

POSTPONEMENT OF MORTGAGE

AP LTD. SR

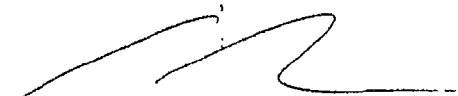
TERA SJOBERG, AILEEN SHEWCHUK, JIM HOPKINS, DAPHNE CHANDLER, STEVE BELL, S & H PROPERTY GROUP LIMITED., GULI HOLDINGS INC., LARRY KUBE and RALPH SCHAFER, all of 105, 4715 - 13th Street, NE, Calgary, Alberta, T2E 6M3, hereby agree to the postponement of all its rights as mortgagee under a mortgage registered on the 10th day of July, 2008, as instrument no. 081 242 024 in the following lands, namely:

*Amendment made by solicitor for the mortgagee this 26th day of May, 2009
Gerry A. Peacock*

PLAN 8910156
BLOCK 8
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS

to the rights of the mortgagees in and to a certain mortgage granted to HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place, NW, Calgary, Alberta, T3G 5H3, dated April 6, 2009, and registered on April _____, 2009 as instrument no. 091 _____, to secure the repayment of the sum of ONE MILLION, FIVE HUNDRED THOUSAND Dollars (\$1,500,000.00) and interest. This Postponement may be signed in counterpart.

IN WITNESS WHEREOF, we have caused this postponement of mortgage to be signed, this 29 day of April, 2009.



Witness)



DAPHNE CHANDLER

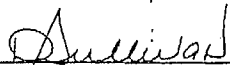
AFFIDAVIT OF WITNESS

CANADA
PROVINCE OF ALBERTA
TO WIT:


) I, Gerry A. Peacock,
) of Calgary, Alberta,
) MAKE OATH AND SAY THAT:

1. I was personally present and did see DAPHNE CHANDLER named in the within (or annexed) instrument, personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
2. The same was executed at Calgary, Alberta, and I am the subscribing witness thereto.
3. I know the said party, who is in my belief of the full age of 18 years.

SWORN BEFORE ME at Calgary,
Alberta on April 27, 2009.



A Commissioner of Oaths in and for
The Province of Alberta



Gerry A. Peacock

Deborah L. Sullivan
Commission Expires July 7 2010

POSTPONEMENT OF MORTGAGE

We, TERA SJOBERG, AILEEN SHEWCHUK, JIM HOPKINS, DAPHNE CHANDLER, STEVE BELL, S & H PROPERTY GROUP LIMITED, GULI HOLDINGS INC., LARRY KUBE, and RALPH SCHAFFER, all of #105, 4715 13 Street N.E., Calgary, Alberta, T2E 6M3, hereby agree to the postponement of all its rights as mortgagee under a mortgage registered on the 10th day of July, 2008, as instrument No.: 081 242 024 in the following lands, namely:

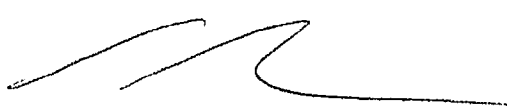
S.P. & H. S.P.

PLAN 8910156
BLOCK ~~15~~ *8 S.P.*
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS


to the rights of the mortgagees in and to a certain mortgage granted to HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place N.W., Calgary, Alberta, T3G 5H3, dated the 6th day of April 2009, and registered on May _____, 2009 as instrument No.: _____, to secure the repayment of the sum of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS** (\$1,500,000.00) and interest. This Postponement may be signed in counterpart.

*Amendments made by solicitor for the mortgagee, this 20th day of May, 2009.
Gerry A. Peacock*

IN WITNESS WHEREOF I have hereunto subscribed my name this 4 day of May, 2009.



WITNESS



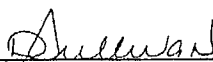
STEVE BELL

AFFIDAVIT OF WITNESS

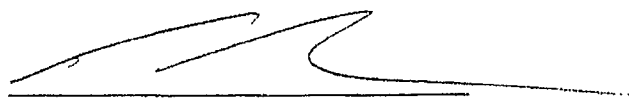
CANADA) I, GERRY A. PEACOCK, OF THE CITY OF CALGARY,
PROVINCE OF ALBERTA) IN THE PROVINCE OF ALBERTA, MAKE OATH AND
TO WIT) SAY:

1. I was personally present and did see **STEVE BELL** named in the within (or annexed) instrument, personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
2. The same was executed at the City of Calgary, Alberta, and I am the subscribing witness thereto.
3. I know the said party, who is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City of Calgary,)
in the Province of Alberta, this 4 day of)
May, A.D. 2009.)



A COMMISSIONER FOR OATHS IN AND)
FOR THE PROVINCE OF ALBERTA)



GERRY A. PEACOCK

Deborah L. Sullivan
Commission Expires July 7 2010

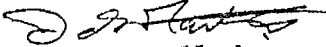
POSTPONEMENT OF MORTGAGE

We, TERA SJOBERG, AILEEN SHEWCHUK, JIM HOPKINS, DAPHNE CHANDLER, STEVE BELL, S & H PROPERTY GROUP LIMITED, GULI HOLDINGS INC., LARRY KUBE, and RALPH SCHAFER, all of #105, 4715 13 Street N.E., Calgary, Alberta, T2E 6M3, hereby agree to the postponement of all its rights as mortgagee under a mortgage registered on the 10th day of July, 2008, as instrument No.: 081 242 024 in the following lands, namely:

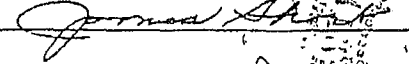
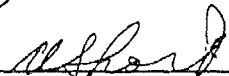
PLAN 8910156
→ BLOCK ~~5A~~ 8A
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS

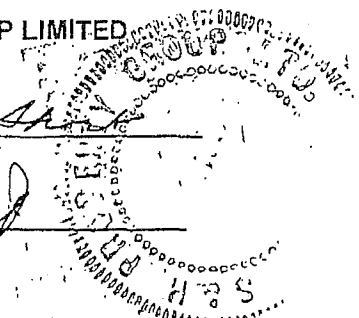
to the rights of the mortgagees in and to a certain mortgage granted to HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place N.W., Calgary, Alberta, T3G 5H3, dated the 6th day of April 2009, and registered on May 8TH, 2009 as instrument No.: _____, to secure the repayment of the sum of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS** (\$1,500,000.00) and interest. This Postponement may be signed in counterpart.

IN WITNESS WHEREOF I have hereunto subscribed my name this 8th day of May, 2009.


Deborah L. Martens
Commissioner for Oaths
Expires Jan. 8/10

S & H PROPERTY GROUP LIMITED

Per: 
Per: 



*Amendments made by solicitor for the mortgagor, this 26th day of May, 2009.
Garry A. Peacock.*

POSTPONEMENT OF MORTGAGE

We, TERA SJOBERG, AILEEN SHEWCHUK, JIM HOPKINS, DAPHNE CHANDLER, STEVE BELL, S & H PROPERTY GROUP LIMITED, GULI HOLDINGS INC., LARRY KUBE, and RALPH SCHAFER, all of #105, 4715 13 Street N.E., Calgary, Alberta, T2E 6M3, hereby agree to the postponement of all its rights as mortgagee under a mortgage registered on the 10th day of July, 2008, as instrument No.: 081 242 024 in the following lands, namely:

PLAN 8910156
BLOCK *Ms. 4. 5th*
LOT 5
EXCEPTING THEREOUT ALL MINES AND MINERALS


to the rights of the mortgagees in and to a certain mortgage granted to HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place N.W., Calgary, Alberta, T3G 5H3, dated the 6th day of April 2009, and registered on May _____, 2009 as instrument No.: _____, to secure the repayment of the sum of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS** (\$1,500,000.00) and interest. This Postponement may be signed in counterpart.

IN WITNESS WHEREOF I have hereunto subscribed my name this 1 day of May, 2009.

WITNESS



RALPH SCHAFER



2nd st.

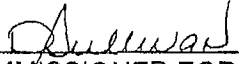
*Amendment made by solicitor for the mortgagee, this 26th day of May, 2009
Gerry A. Pascock*

AFFIDAVIT OF WITNESS

CANADA) I, GERRY A. PEACOCK, OF THE CITY OF CALGARY,
PROVINCE OF ALBERTA) IN THE PROVINCE OF ALBERTA, MAKE OATH AND
TO WIT) SAY:

- 1. I was personally present and did see **RALPH SCHAFER** named in the within (or annexed) instrument, personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
- 2. The same was executed at the City of Calgary, Alberta, and I am the subscribing witness thereto.
- 3. I know the said party, who is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City of Calgary,)
in the Province of Alberta, this 1 day of)
May, A.D. 2009.)
)



A COMMISSIONER FOR OATHS IN AND)
FOR THE PROVINCE OF ALBERTA)



GERRY A. PEACOCK

POSTPONEMENT OF MORTGAGE

We, TERA SJOBERG, AILEEN SHEWCHUK, JIM HOPKINS, DAPHNE CHANDLER, STEVE BELL, S & H PROPERTY GROUP LIMITED, GULI HOLDINGS INC., LARRY KUBE, and RALPH SCHAFFER, all of #105, 4715 13 Street N.E., Calgary, Alberta, T2E 6M3, hereby agree to the postponement of all its rights as mortgagee under a mortgage registered on the 10th day of July, 2008, as instrument No.: 081 242 024 in the following lands, namely:

PLAN 8910156

→ BLOCK *SP & PL*

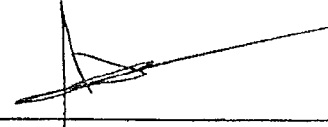
LOT 5

EXCEPTING THEREOUT ALL MINES AND MINERALS

to the rights of the mortgagees in and to a certain mortgage granted to HOMERUN INTERNATIONAL INC., of 9 Rocky Ridge Place N.W., Calgary, Alberta, T3G 5H3, dated the 6th day of April 2009, and registered on May _____, 2009 as instrument No.: _____, to secure the repayment of the sum of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS** (\$1,500,000.00) and interest. This Postponement may be signed in counterpart.

IN WITNESS WHEREOF I have hereunto subscribed my name this 19th day of May, 2009.


WITNESS
GORDON D. RAGAN
Barrister & Solicitor

GULI HOLDINGS INC. *Ltd. SP.*
Per: 

*Amendments made by solicitor for the mortgagee with the express consent of the solicitor for the mortgagee this 26th day of May, 2009
Cherry A. Peacock.*

AFFIDAVIT OF WITNESS

CANADA)
PROVINCE OF ALBERTA)
TO WIT)

I, Gordon P. Rager, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY:

1. That I was personally present and did see Guy Heerema, named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute same for the purposes named therein.
2. That the same was executed at City of Calgary, in the Province of Alberta and that I am the subscribing witness thereto.
3. That I know the said person and he is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 17th day of May A.D. 2009.

[Signature]
A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

[Signature]

SANDRA MURRAY
Commissioner for Oaths in and for the Province of Alberta
Expires October 1st, 2010

1911
1912
1913
1914

AFFIDAVIT OF CORPORATE SIGNING AUTHORITY

CANADA)
PROVINCE OF ALBERTA) I, Guy Heerema, of the City of Calgary, in the
TO WIT) Province of Alberta, MAKE OATH AND SAY:

1. ~~We~~ ^I are the directors and office of GULI HOLDINGS INC. ^{Ltd. Co.} (the "Corporation").
2. I am authorized by the Corporation to execute the within (or annexed) instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of Calgary,)
in the Province of Alberta, this 19th day of)
May A.D., 2009.)

A COMMISSIONER FOR OATHS IN AND)
FOR THE PROVINCE OF ALBERTA)

GORDON D. RAGAN
Barrister & Solicitor

*Amendment made by the solicitor
for the mortgage with the express
consent of the solicitor for the mortgagee.
this 26th day of May, 2009
Garry A. Pencock*



091144787

091144787 REGISTERED 2009 05 27

POST - POSTPONEMENT

DOC 3 OF 3 DRR#: C03618D ADR/WLIU

LINC/S: 0011134962

POSTPONEMENT
B

091144787
0011134962

TAB D



October 9, 2012

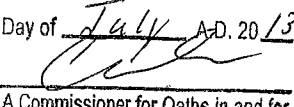
CHARLES W. ANG
DIRECT DIAL: (403) 294-3457
DIRECT FAX: (403) 767-8897
EMAIL: cang@parlee.com
OUR FILE #: 71728.2/CWA

Homerun International Inc.
c/o Borden Ladner Gervais LLP
#1900, 520 – 3rd Avenue SW
Calgary, Alberta
T2P 0R3

VIA: Registered Mail

Dear Sirs:

Re: Mortgage #081 242 024 registered at Land Titles on July 10, 2008; and
Mortgage #091 144 786 registered at Land Titles on May 27, 2009;
Plan 891 0156, Block 8, Lot 5.

This is Exhibit "D" referred to
in the Affidavit of
Joan Morgan
Sworn before me this 18th
Day of July A.D. 2013

A Commissioner for Oaths in and for
the Province of Alberta
CHARLES W. ANG
Barrister & Solicitor

We are the solicitors for the mortgagees (the "Mortgagees") of Mortgage #081 242 024, registered at Land Titles on July 10, 2008, and Mortgage #091 144 786, registered at Land Titles on May 27, 2009 (collectively, the "Mortgages"), with respect to outstanding amounts owing under the Mortgages, which are both registered against property legally described as:

Plan 8910156
Block 8
Lot 5
Excepting Thereout All Mines and Minerals

(the "Property")

Homerun International Inc. ("Homerun") is the registered owner of the Property and is the mortgagor under both Mortgages. Homerun has defaulted under both Mortgages by failing, neglecting or refusing to remit to the Mortgagees outstanding principal and interest owing under the Mortgages to each Mortgagee, which the Mortgagees currently calculate to equal the total sum of **\$3,149,399.63** (the "Indebtedness").

The Mortgagees have made written and oral demands to Homerun for payment of the Indebtedness, but Homerun has failed, neglected or refused to remit the outstanding Indebtedness that is due and owing to the Mortgagees, which remains a just debt improperly withheld.

Demand is hereby made for payment of the Indebtedness, PLUS \$200.00 (inclusive of GST) for legal fees and disbursements incurred with respect to Homerun's defaults to date, pursuant to the terms of the Mortgages.

If our office is not in receipt of the amount of \$3,149,599.63 by way of certified cheque, bank draft or money order no later than the close of business on October 17, 2012, we have instructions to immediately thereafter commence legal proceedings against Homerun for the amounts owing under the Mortgages and all related instruments of enforcement and security, which may exceed the amount of Indebtedness referred to above, as well as all legal costs associated therewith on a solicitor and client basis.

Please govern yourselves accordingly.

Yours truly,

PARLEE McLAWS LLP



CHARLES W. ANG

cc: Mortgagees