Form 23
Rule 4.36(4)

Clerk's Stamp

COURT FILE NO. 2603 15449

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANT MCAP FINANCIAL CORPORATION as agent for and on behalf of COMPUTERSHARE TRUST COMPANY OF CANADA

RESPONDENTS LUXOR LAND LTD., MESA WEST CAPITAL CORP., PACIFIC PLAZA LIMITED PARTNERSHIP, GPCO LTD., and GEORGE SCHLUESSEL

DOCUMENT **AFFIDAVIT OF GEORGE SCHLUESSEL**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Zachary Soprovich
Barrister & Solicitor
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File # 217537

DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

AFFIDAVIT OF GEORGE SCHLUESSEL

Sworn on August 12, 2026

I, George Schluessel, of White Rock, British Columbia SWEAR AND SAY THAT:

1. I am one of the Defendants in this actions, as well the person who owns or controls (directly or indirectly) the corporate Defendants (and Procura), and as such, including from a review of the books and records kept in the normal course of business, have personal knowledge of the following, except where stated to be based upon information and belief, in which case I believe the same to be true.

2. Luxor Land Ltd. and Mesa West Capital Corp will be referred to collectively as the "**Borrowers**" and the office building located at 10909 Jasper Avenue in Edmonton as "**WSP Place**" or the "**Building**".

3. I make this Affidavit in response to the Application by MCAP Financial Corporation ("**MCAP**").

4. Since the Forbearance Agreement was executed on June 12, 2024, MCAP has had full care and control of the Building. As part of the Forbearance Agreement, MCAP hand

picked a property management company to be engaged to operate the building, McCor Management (AB) Inc. ("**McCor**").

5. MCAP, through McCor, has been operating the Building since on or about October 2024, which has including McCor collecting rent (or not collecting rent from tenants), administering the daily property management, purporting to handle leasing decisions and approvals, operational budgeting, tenant administration and financial oversight.

6. Either, or both, of MCAP and McCor have collected parking revenues from tenants of the Building related to other locations (including the Azure and Cascadia lands defined below) but has not paid the appropriates parties with priority to those payments for that parking. To be clear, MCAP (or MCAP through McCor) has collected these parking revenues that MCAP does not have priority to, refused to pay the same to the Borrowers, and refused to pay the same to any of the parties entitled to said parking revenues.

7. On of the parties entitled to the aforementioned parking revenues is National Bank of Canada ("**National Bank**"), who on Monday, August 10, 2026 applied for and was granted a limited Receivership Order with respect to separate lands owned by the Borrowers (the "**Azure**" lands at 10910 and 10921 Jasper Avenue, and the "**Cascadia**" lands at 10008 and 10010 109th Street). Part of the reason for the necessity for that application is that National Bank has not been paid amounts due and owing to it, including the parking revenue.

8. I understand from my counsel that at National Bank's application for a limited Receivership on Monday, August 10, 2026, there was discussion in Court that there is over $300,000 being held by MCAP (or McCor) related to the parking revenue. I have yet to see a reconciliation, but I expect the amount is at least $300,000.

9. MCAP's actions, including but not limited to withholding parking revenue that MCAP has no entitlement to, have directly resulted in other lenders, and specifically but not limited to National Bank, taking enforcement steps against the Borrowers, myself, or related companies.

10. Section 3.7 of the Forbearance Agreement reads as follows:

> **Agreements Respecting Procura**.
> The Servicer shall, within 10 business days of the Effective Date, appoint a new property manager for WSP Place to succeed Procura as property manager of WSP Place (the "**Property Manager**"). The applicable Indebted Parties shall, within 10 business days of the Effective Date, (i) (i) enter into a new property management agreement with the new Property Manager and (ii) shall take all steps necessary and desirable to terminate the Management Agreement without penalty concurrently with the entering into of any new property management agreement.
>
> Procura and the Indebted Parties agree that Procura shall cooperate with the new Property Manager and assist in transitioning the operation and management of WSP Place to the new Property Manager. In addition, Procura shall make itself available for consultation and information purposes after the initial transition period for the new Property Manager has been completed. Procura shall facilitate the transition of employees related to

WSP Place at the request of the new Property Manager on terms and conditions satisfactory to the new Property Manager, acting reasonably.

In consideration of (i) the termination of the Management Agreement, (ii)the execution and delivery by the applicable Indebted Parties of the new property management agreement, and (iii) the continued satisfaction by Procura and the Indebted Parties of their obligations under this clause 3.7, the Servicer, on behalf of the Finance Parties, **agrees to pay to Procura a monthly fee of $13,750 each month during the Forbearance Period** beginning only after the execution and delivery by the applicable Indebted Parties of the new property management agreement.

11. Procura has complied with its obligations under the Forbearance Agreement and has cooperated with McCor, including but not limited to completing the following tasks:

    a. support for the 2016 – 2023 WSP operating cost reconciliations;

    b. support for the 2024 year-end reconciliation;

    c. negotiations with WSP respecting operating costs;

    d. signage disputes;

    e. transition support to McCor;

    f. coordination with accountants and legal counsel; and

    g. historical operations support.

12. MCAP has flatly refused to pay the contractually agreed upon payments of $13,750 per month. This monthly amount outstanding since at least October 2024. 22 months of arrears is $302,500 plus GST. Attached as **Exhibit "A"** is a letter from my counsel to MCAP's counsel dated October 6, 2025 advising of the failed payments. Attached as **Exhibit "B"** is a letter from MCAP's counsel dated December 11, 2025, confirming that MCAP has not paid the $13,750 per month.

13. Attached as **Exhibit "C"** is a further letter from my counsel to counsel for MCAP dated May 28, 2026, which advises again of the failure and refusal of MCAP to pay the $13,750 agreed upon monthly fee to Procura Real Estate Services Limited ("**Procura**"), as well as MCAP collecting parking revenue it is not entitled to for almost two years. Parts of the letter related to settlement discussion are redacted.

14. Procura also continued to manage the property until McCor took over management in October 2024. MCAP has also refused to pay any of Procura's out of pocket expenses, including payment of operating costs, until the time when McCor took over in October 2024.

15. While MCAP is applying for a Receivership Order over the Building, MCAP has been acting (whether directly, or indirectly through McCor) as the manager and operator of the Building since 2024.

16. The management of the Building has been materially deficient by MCAP (or MCAP through McCor), including:

    a. failing to take any steps to collect rent from a main tenant (Central Social Hall) in amounts in excess of $500,000, including refusing the Borrower's proposal to hire legal counsel to conduct asset searches and investigations into collection of the same; and

    b. taking no steps to attempt to lease the Building, including failing to have a "for lease" sign on the Building. I drove past the Building today, and can confirm no "for lease" sign is on the Building.

17. The Borrowers, and myself, have been directly refused access to the Building in June 2026. After another building which we had office space in was sold, we were looking to move back into some office space in the Building. MCAP refused to permit us access.

18. The comment about me interfering (or "tampering" as sworn to by MCAP) with a tenant both inaccurate and untrue. Previously, corporations I controlled owned the Intact building in Edmonton (Jasper Avenue and 108th Street). That building was sold in 2025. Prior to its sale, I had discussions in the normal course with one tenant (a Government of Alberta related entity) as to potentially moving to the Intact building. These discussions were largely in the 2018 and 2019 years, and focused around meeting the tenant's leasing needs, in the normal course, not for any ulterior purpose. Ultimately, that tenant did not move.

19. MCAP's comment with respect to the Borrowers refusing to consider commercially attractive offers for the Sale Offer is also inaccurate. I have, and remain, open to what MCAP defined as the Sale Offer, upon certain terms.

20. I make this affidavit in response to MCAP's Application for a Receivership Order.

SWORN BEFORE ME at Edmonton, Alberta, this 12th day of August, 2026.	)	
	)	
	)	
______________________________	)	______________________________
A Commissioner for Oaths in and for Alberta	)	GEORGE SCHLUESSEL
Zachary Soprovich Barrister & Solicitor		

This is Exhibit "__A__" referred to in the
Affidavit of GEORGE SCHLUESSEL
sworn before me on the 12th day of August, 2026

Commissioner for Oaths in and for the Province of Alberta

Zachary Soprovich
Barrister & Solicitor

DUNCANCRAIG LLP
LAWYERS MEDIATORS

Our File: 204-217537

Your File:

Lawyer: **Darren R. Bieganek, KC**
Telephone: 780.441.4386
Email: dbieganek@dcllp.com
Fax: 780.428.9683

October 6, 2025

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 - 3rd Street SW
Calgary, AB T2P 5C5

Attention: Jeffrey Oliver

Dear Sir:

Re: Notice of Default pursuant to Forbearance Agreement among, inter alia, MCAP Financial Corporation ("MCAP") or the ("Servicer"), Luxor Land Ltd. and Mesa West Capital Corp. (collectively, the "Borrowers") and Procura Real Estate Services Limited ("Procura") dated June 12, 2024 (the "Forbearance Agreement")

We write to you in response to your Notice of Default of August 13, 2025, including the noted alleged defaults as set forth in your letters or notices sent in august of 2024 ("Notice of Default").

In specific response to the allegations of default, the Borrowers and Procura state that:

(a) They deny that they have made false, misleading or material omissions with respect to the value of the Paramount Block VTB as alleged. The value attributable to the Paramount Block VTB is determined by, and tied to, the then existing market conditions and the ability of the counterparty to pay;

(b) The Borrowers and Procura deny they have failed to perform or observe any terms of the covenants or obligations attributable to them under the terms of the existing Forbearance Agreement or any other loan or security documents in respect to the fire damage to WSP Place;

(c) The parties specifically state that Procura has performed and observed all the terms attributable to it under the terms of the existing Forbearance Agreement and has cooperated with the property manager fully and in accordance with the terms of the Agreement. In exchange for that cooperation MCAP was to pay Procura the sum of $13,750.00 plus GST per month and has failed to make payment to Procura as required under the terms and conditions of the Forbearance Agreement. We understand that the present property manager has not pursued Central social Hall for arrears of rent which are now in excess of $300,000;

(d) With respect to the Timbercreek Forbearance, the primary security held by Timbercreek has been sold and the obligations under the Timbercreek Forbearance have been resolved to the satisfaction of all parties involved and court proceedings have been discontinued.

(e) No creditor of one or more of the Borrower group properties has taken possession of or taken steps to realize or execute against any of the collateral that is likely to prejudice the legal or security position of the finance parties. The fact is that any additional security taken by your clients was provided and taken in good faith knowing of the existing obligations and of the values attributable thereto. Furthermore, any steps taken by any other creditors as result of the failure of MCAP to remit payment for parking in respect of the following lots: Cascadia, 107 Street and Azure which has adversely affected the ability of the Borrowers to service priority payable obligations which are ahead of MCAP in relation to those properties;

(f) Any prior defaults have been rectified within the time stipulated in the Forbearance Agreement; and

(g) The indebted parities specifically deny there has been any material adverse affect in respect of the MCAP collateral.

Yours truly,

DUNCAN CRAIG LLP
Per:

DARREN R. BIEGANEK, KC
DRB/mj

This is Exhibit "B" referred to in the
Affidavit of GEORGE SCHLUESSEL
sworn before me on the 12th day of August, 2026

Commissioner for Oaths in and for the Province of Alberta

Zachary Soprovich
Barrister & Solicitor

Cassels

December 11, 2025

Via E-Mail (dbieganek@dcllp.com)

joliver@cassels.com
tel: +1 403 351 2921
file # 029633-00416

Duncan Craig LLP
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta, T5J 3V9

Attention: Darren Bieganek

#300, 10830 Jasper Avenue
Edmonton, Alberta, T5J 2B3

Attention: George Schuessel & Danish Wasim

Dear Sirs:

Re: Forbearance Agreement among, inter alios, MCAP Financial Corporation (the "Servicer" or "MCAP"), Luxor Land Ltd. and Mesa West Capital Corp. (collectively, the "Borrowers") and Procura Real Estate Services Limited ("Procura") dated June 12, 2024 (the "Forbearance Agreement")

We are counsel to the Servicer.

We write in response to your letters dated October 3, 2025 and October 6, 2025. We refer you also to the Notice of Default issued by our office to the Borrowers dated August 13, 2025 ("**Notice of Default**"). All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Forbearance Agreement.

In specific response to your letter dated October 6, 2025, the Servicer maintains that each and every event of default listed in the Notice of Default are defaults committed by the Borrowers and Procura under the Forbearance Agreement, which defaults have not been cured by the Borrowers and Procura and are continuing defaults (the "**Defaults**") including, without limitation, the Borrowers' and Procura's failure to (i) give prompt written notice to the Servicer of fire damage; (ii) promptly notify the Servicer with an estimate of costs for work and materials required to repair the damage; and (iii) ensure that the Servicer received payment of all insurance proceeds paid (the "**Insurance Defaults**").

Furthermore, in specific response to your letter dated October 3, 2025, the Servicer denies that the Servicer owes Procura and other related entities the sum of $818,553.66. For greater certainty, the various invoices provided to the Servicer by Procura are not payable by the Servicer and the Servicer has no obligation to pay the same.

As further detailed in email correspondence between the Servicer to Procura and the Borrowers dated April 14, 2025, the Servicer is not party to the property management agreement dated January 1, 2023 between

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Suite 3810, Bankers Hall West, 888 3rd Street SW
Calgary, AB T2P 5C5 Canada

Procura and Pacific Plaza Limited Partnership. The Servicer's only covenant to pay any fee to Procura is the promise to pay Procura a monthly fee of $13,750 (the "**Procura Fee**") pursuant to section 3.7 of the Forbearance Agreement.

The Procura Fee is only payable from and after the execution and delivery by the Borrowers of a new property management agreement and in consideration of the continued satisfaction of Procura and the Borrowers of their obligations under section 3.7 of the Forbearance Agreement, including, without limitation, Procura's obligation to cooperate with the new property manager and assist in transitioning the operations and management of WSP Place to the new property manager.

Procura is in default of its covenants under the Forbearance Agreement as a result of, among other things, the Insurance Defaults. Accordingly, the Servicer has advised Procura that it will make no payment under section 3.7 until such defaults have been cured and the insurance proceeds have been paid to the Servicer in full. Until the insurance proceeds are paid, the Servicer shall deduct such amounts from the Procura Fee.

Finally, we write to demand immediate remittance by the Borrowers of the proceeds of the Settlement Agreement between the Borrowers and WSP Canada Inc., which proceeds are estimated to total $152,140.58, to the Servicer to be applied to the Indebtedness (as defined in the Forbearance Agreement), in consideration of the Servicer's continued forbearance with respect to the Defaults.

Notwithstanding any of the foregoing, the Servicer expressly reserves all of its rights under the Forbearance Agreement, and any other agreement between Procura and the Servicer. Nothing in this letter shall be understood as a waiver of the Defaults, or any other default of Procura under the Forbearance Agreement. The Forbearance Agreement and the Servicer's remedies thereunder remain in full force and effect. For grater certainty, the Servicer hereby expressly reserves the right to exercise any and all of its rights and remedies under the Loan and Security Documents (including without limitation any Security and/or Guarantee) and applicable law in respect of the Defaults or any other default or event of default, without notice, if, in the opinion of the Servicer, acting reasonably, failure to do so would materially prejudice the legal position or the security position of the Servicer.

Yours truly,

Cassels Brock & Blackwell LLP

Jeffrey Oliver

Jeffrey Oliver
Partner

JO/dj
cc: MCAP Financial Corporation

LEGAL*70320517.3

This is Exhibit "C" referred to in the
Affidavit of GEORGE SCHLUESSEL
sworn before me on the 12th day of August, 2026

____
Commissioner for Oaths in and for the Province of Alberta

Zachary Soprovich
Barrister & Solicitor

DUNCANCRAIG LLP
LAWYERS MEDIATORS

Our File: 204-217534

Your File: 029633-00416

Lawyer: **Darren R. Bieganek, KC**
Telephone: 780.441.4386
Email: dbieganek@dcllp.com
Fax: 780.428.9683

May 28, 2026

Via Email: joliver@cassels.com

Cassels Brock & Blackwell LLP
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888 3rd Street SW
Calgary, AB T2P 5C5

Attention: Jeffrey Oliver

Dear Sir:

Re: Forbearance Agreement among, inter alios, MCAP Financial Corporation (in its capacity as the "Servicer", or "MCAP"), Luxor Land Ltd. and Mesa West Capital Corp. (collectively, the "Borrowers") and Procura Real Estate Services Limited ("Procura") dated June 12, 2024 (the "Forbearance Agreement") – WSP Building

Receipt of your letters of May 20 and 27 2026, are acknowledged.

The Borrowers and Procura have expressed to the writer of high degree of frustration with the work of the Servicer and its chosen property manager in respect of the operations at the WSP Building. They dispute any assertion that they are in default of their obligations under the terms of the Forbearance Agreement. Any default was contributed to and effectively caused by the Servicer.

The Servicer has had full control of the WSP Building since the execution of the Forbearance Agreement. No apparent efforts have been made to lease up the building. There are no "for lease" signs on the building. The tenancy situation has deteriorated.

Your client has collected all the rents, including parking revenue from adjacent lots it was not entitled to, for almost 2 years. It has failed to remit those parking revenues to the party entitled to them. It has failed to pay Procura it's agreed upon fee in circumstances where Procura has fully honoured its obligations. This has contributed to the inability of the Borrowers to make the anniversary payment under the terms of the Forbearance Agreement.

Your client and its property manager failed to collect the rents owing by Central Social Hall and refused Procura's request to fund legal costs to pursue those recoveries which we are told exceed $500,000. A new tenant is in that space. Procura assisted in finding that tenant and received no compensation for it.

Your client has also rejected, at every turn, any suggestions for improvements to the WSP Building circumstances and has precluded the Borrowers representative from even entering its own building to tour prospective purchasers.

We look forward to hearing from you in respect of this matter at your earliest convenience and remain,

Yours truly,

DUNCAN CRAIG LLP
Per:

DARREN R. BIEGANEK, KC
DRB/sh

cc: Client