

## CONVERTIBLE DEBENTURE AGREEMENT

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THIS CONVERTIBLE DEBENTURE AGREEMENT (the “**Agreement**”) is dated and made effective as of the XXX day of January 2021 (the “**Effective Date**”) by and between:

### ApartmentLove Inc.

a Canadian company with an office located at:  
1500, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta, Canada, T2P 0R8 (the “**Borrower**”),

and,

[●]

An individual residing at:  
[●] (the “**Lender**”).

Each a “**Party**” and together may, from time to time, be referred to as the “**Parties**” of this Agreement.

**WHEREAS** the Lender [is or is not] a shareholder of the Borrower;

**AND WHEREAS** the Lender is willing to lend to the Borrower and the Borrower wishes to borrow from the Lender [●] Canadian dollars ([●]) (the “**Principal Amount**”) on the terms as defined herein (the “**Loan**”);

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the premises contained herein, the Parties agree as follows:

### 1.0 DEFINITIONS

Where used in this Agreement, the following words and phrases have the following meanings:

- “**Advance**” means the transfer of the full amount of the Loan from the Lender to the Borrower;
- “**Affiliate**” has the meaning assigned in the *Securities Act* (Alberta);
- “**Agreement**” means this Agreement as at any time amended or modified and in effect;
- “**Associate**” has the meaning assigned in the *Securities Act* (Alberta);
- “**Constating Documents**” means the Notice of Articles and Articles of the Borrower, as at any time amended or modified and in effect;
- “**Event of Default**” means any demand for payment made against the Borrower citing a non-curable breach, or enforcement of any security interest or writ against the Borrower or its property, by any secured or unsecured creditor of the Borrower, acting reasonably;

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- **“Fundamental Change”** means an amalgamation, merger, or reorganization of the Borrower, a Sale of Control or a sale of all or substantially all the Borrower’s assets or undertaking, other than as part of an internal reorganisation which does not involve persons who are not shareholders or wholly owned subsidiaries of the Borrower;
- **“Indebtedness”** means the Principal together with all accrued interest payable thereon and from time to time, calculated in accordance with the provisions of this Agreement;
- **“Lender Approval”** means the approval of the Lender;
- **“Loan”** means the loan by the Lender to the Borrower established pursuant to section 3.1 hereof;
- **“Maturity Date”** means the two (2) year anniversary of the Effective Date first written above, or any other date as the Parties hereto, acting reasonably, from time to time, may otherwise agree;
- **“Person”** means an individual, a corporation, a partnership, a trust, an unincorporated organization, and any other entity whatsoever;
- **“Sale of Control”** means any event or the last of a series of events after which a person, together with their **“Associates”** and/or **“Affiliates”** (as defined in the *Business Corporations Act* (Canada)) holds, directly or indirectly, legally or beneficially, shares of the Borrower carrying more than fifty percent (50%) of the votes capable of being cast at a general meeting of the shareholders of the Borrower;

## 2.0 INTERPRETATION

**2.1 Governing Law.** This Agreement is governed by the laws of the Province of Alberta, Canada, and the Parties attorn to the non-exclusive jurisdiction of the courts of Alberta for the resolution of all disputes under this Agreement.

**2.2 Parties Interested.** This Agreement enures to the benefit of, and is binding upon, the Parties hereto and their respective successors and permitted assigns.

**2.3 Headings and Marginal References.** The division of this Agreement into sections, subsections, paragraphs, and subparagraphs and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

**2.4 Currency.** All statements of, or references to, dollar amounts (including the symbol “\$”) in this Agreement refer to the federal currency of Canada.

## 3.0 THE LOAN

**3.1 Establishment of the Loan.** Subject to Section 3.6, the Lender agrees on the terms and subject to the conditions set forth in this Agreement, to make available to the Borrower the Principal Amount.

**3.2 Interest.** Interest will accrue on the Principal Amount of the Loan outstanding, from time to time, at a rate of ten percent (10%) per annum (the **“Interest Rate”**), compounding annually,

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from the date advanced before and after maturity, default, or judgment until payment in full has been received by the Lender. Interest shall be due and payable:

- a) commencing immediately from the time of Advance;
- b) upon a repayment made under Section 3.3, or
- c) upon a demand for payment made in accordance with Section 3.6.

**3.3 Repayment of Principal.** The Borrower and the Lender agree that it is their intention that the Loan be repaid to the Lender on or before the Maturity Date, together with interest calculated in accordance with Section 3.2. The Borrower will make payments to the Lender on account of the Indebtedness outstanding at any time as follows:

- a) on or before the Maturity Date, the Borrower will repay all the Principal Amount outstanding, together with all accrued interest in accordance with section 3.2;
- b) on or before a Fundamental Change, where such Fundamental Change has been designated by the Lender for the purposes of this paragraph; and
- c) upon a demand payment made in accordance with Section 3.6
- d) if the Borrower has not completed a listing of its common shares on a recognized stock exchange within 120 days of the Lender advancing funds to the Borrower, the Lender shall have the one time right to demand repayment of the loan and accrued interest at that time.

**3.4 Prepayment of Loan.** Subject to paragraph 3.6 below, the Borrower may repay the Loan to the Lender in full or in part, including all accrued interest, at any time and without penalty.

**3.5 Demand for Payment.** In the Event of Default as defined above, the Lender shall be entitled, notwithstanding any other provision hereof, to declare all or any indebtedness and obligations of the Borrower, under this Agreement, to be immediately due and payable, or to be due and payable on such other date as specified by the Lender.

**3.6 Debt to Equity Conversion.** The Lender reserves the right to convert all or any portion of the Principal Amount and all Interest accrued there upon same, per the terms and conditions of this Agreement, into common stock of the Lender at a rate of ten cents (\$0.10) per common share (the “**Conversion Price**”) on or before the Maturity Date and in accordance with paragraph 3.4.

## 4.0 REPRESENTATIONS AND WARRANTIES

**4.1 Representations and Warranties.** The Borrower represents and warrants to the Lender that:

- a) the Borrower is a federally incorporated corporation, validly existing, and in good standing under the laws of Canada;

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- b) the Borrower has all requisite corporate power and authority to enter into this Agreement and carry out its obligations contemplated herein; and
- c) the execution of this Agreement will not result in a breach of the Constatng Documents or the terms of any other agreement or instrument to which the Borrower is a party.

**4.2 Survival of Representations and Warranties.** All representations and warranties made herein will survive the delivery of this Agreement to the Lender.

## 5.0 COVENANTS OF THE BORROWER

**5.1 Positive Covenants of the Borrower.** The Borrower covenants and agrees with the Lender that, at all times during the currency of this Agreement, it will duly observe and perform all its covenants and agreements set forth in this Agreement

**5.2 Negative Covenants of the Borrower.** The Borrower covenants and agrees with the Lender that, at all times during the currency of this Agreement, unless it has received the prior written consent of the Lender to do so, it will not:

- a) Declare or pay a dividend on, or repay any obligation in respect of any shares in the capital of the Borrower without first obtaining the written consent of the Lender, such consent is not to be unreasonably withheld;

**6.0 Exchange of Information.** If the Lender makes a demand in accordance with Section 3.5 hereof, the Lender shall promptly deliver a copy of such demand to the Board of the Borrower. The Lender shall also furnish to the Board of the Borrower, from time to time, upon request by the Board of the Borrower, acting reasonably, information and particulars as to the outstanding Indebtedness owed to the Lender by the Borrower and whether the Borrower is, or has been, in default of payment or has otherwise been in default of any of its obligations under this Agreement. If the Lender becomes aware of an Event of Default, the Lender shall promptly provide written notice to the Board of the Borrower of the details of the Event of Default.

**7.0 Non-Impairment.** Nothing contained in this Article is intended to impair the obligations of the Borrower to pay to the Lender the indebtedness, liabilities, and/or obligations of the Borrower under this Agreement as and when the same shall become due and payable in accordance with their respective terms as defined herein.

## 8.0 GENERAL

**8.1 Waiver of Modification.** No failure on the part of the Lender in exercising any power or right hereunder will operate as a waiver of the right or power, nor will any single or partial exercise of such right or power preclude any other right or power hereunder. No notice, amendment, modification, or waiver of any condition of this Agreement will be effective unless it is in writing

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signed by the Lender and the Borrower. No notice to, or demand on, the Borrower will entitle the Borrower to any other further notice or demand or similar or other circumstances unless specifically provided for in this Agreement.

**8.2 Time.** Time is of the essence of this Agreement.

**8.3 Effective Date.** For certainty, this Agreement is made as of and is effective as of the Effective Date of this Agreement as first written above.

**8.4 Further Assurances.** The Parties to this Agreement will do, execute, and deliver or will cause to be done, executed, and delivered all such further acts, documents, and things as may be reasonably required for the purpose of giving effect to this Agreement.

**8.5 Assignment.** Either Party may assign this Agreement or its interest herein or any part thereof after first obtaining the written consent of the other Party, such consent is not to be unreasonably withheld. Notwithstanding the generality of the foregoing, the Lender may assign its interests in the Loan, the Notes, and/or this Agreement with the prior written consent of the Borrower, which consent shall not be unreasonably withheld, to an Affiliate of the Lender, a shareholder of the Borrower, or an Affiliate of such a shareholder.

**8.6 Severability.** If any provision of this Agreement or its application to either Party or circumstance is determined by a court to be illegal, invalid, or unenforceable, such provision shall be deemed ineffective only to the limited extent of its illegality, invalidity, or unenforceability without affecting the legality, validity, or the enforceability of the remaining provisions of this Agreement and without affecting this Agreement's application to other Parties or circumstances, without limitation.

**8.7 Criminal Code Compliance.** In this section the terms “**interest**”, “**criminal rate**” and “**credit advanced**” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Lender and the Borrower agree that, notwithstanding any agreement to the contrary, no interest on the Credit Advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

- a) the elements of return, which fall within the term “**interest**” shall be reduced to the extent necessary to eliminate such excess;
- b) any remaining excess that has been paid will be credited towards prepayment of the Principal in accordance with the provisions of this Agreement; and
- c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand;

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and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Parties shall perform the relevant calculations and determine the reductions, modifications, and credits necessary to effect the foregoing and the same will be conclusive and binding on the Parties. This Agreement shall automatically be modified to reflect such modifications without the necessity of any further act or deed of the Lender and the Borrower to give effect to them.

**8.8 Independent Legal Advice.** The Lender acknowledges and agrees that it has been advised to obtain independent legal advice with respect to the subject matter of this Agreement and any related documents and, further, the Lender hereby represents and warrants to the Borrower that it has sought independent legal advice and/or waives such advice.

## 9.0 NOTICES

**9.1 Manner of Giving Notice.** Any notice under this Agreement will be given in writing and may be sent by prepaid post addressed to the Party to which notice is to be given at the address indicated above, or at any other address designated by that Party, in writing in accordance with the provisions of this paragraph 9.1.

**10.0 AMENDMENTS.** This Agreement may be amended, waived, discharged, or terminated only by instrument in writing signed by the Party against whom enforcement of the amendment, waiver, discharge, or termination is sought.

*[The remainder of this page has intentionally been left blank]*

**Signatures of Agreement**

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date first written above.

**On behalf of the Lender**

Per: \_\_\_\_\_  
[●]

**On behalf of the Borrower**

Per: \_\_\_\_\_  
Trevor Davidson, President & CEO

\_\_\_\_\_  
Phil Doublet, Chairman of the Board

Per: \_\_\_\_\_  
Lisa Handfield, Audit Committee Chair

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