



No. S-244083
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KINGSETT MORTGAGE CORPORATION

PETITIONER

- AND -

3000 HENRY STREET LIMITED PARTNERSHIP AND 0790857 B.C. LTD.

RESPONDENTS

**FIRST REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER**

October 15, 2024

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1.0 Introduction

1. On July 29, 2024, the Supreme Court of British Columbia (the “Court”) pronounced an Order (the “Receivership Order”), appointing KSV Restructuring Inc. (“KSV”) as receiver and manager (in such capacity, the “Receiver”) of the assets, undertakings, and property of 3000 Henry Street Limited Partnership (“Henry Street”) and 0790857 B.C. Ltd. (“079 BC” and together with Henry Street, the “Debtors”), including all proceeds (collectively, the “Property”) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (Canada) and section 39 of the *Law and Equity Act* (British Columbia). A copy of the Receivership Order is attached as Appendix “A”.
2. The primary asset of the Debtors is the real property municipally known as 3000 Henry Street, Port Moody, British Columbia. This property is currently vacant land, being held for future development (the “Real Property”).

1.1 Purposes of this Report

1. The purposes of this first report (the “First Report”) are to:
 - a) provide background information about the Debtors;
 - b) summarize the terms of an Agreement of Purchase and Sale dated October 3rd, 2024 (the “Stalking Horse APS”) between the Receiver and 1496619 B.C. Ltd., (the “Stalking Horse Purchaser”), that, subject to Court approval, will be used as a stalking horse bid in the proposed sale procedure (the “Sale Procedure”);
 - c) detail the proposed sale procedure (the “Sale Procedure”) for the Property, including the retention of Colliers Macaulay Nicolls Inc. (“Colliers”) as the listing agent pursuant to the terms of a listing agreement (the “Listing Agreement”); and
 - d) recommend that this Court issue an order (the “Sale Procedure Order”) approving:
 - i. the Stalking Horse APS solely as the stalking horse bid in the Sale Procedure, including approving the expense reimbursement (the “Expense Reimbursement”) in favour of the Stalking Horse Purchaser; and
 - ii. the Sale Procedure, including the proposed Listing Agreement.

1.2 Restrictions

1. In preparing this First Report, the Receiver has relied upon: (i) the books and records of the Debtors; (ii) discussions with Aultrust Financial Ltd. (“Aultrust”), project development manager to the Debtors; (iii) information provided by KingSett Mortgage Corporation (“KingSett”), the Debtors’ principal secured creditor; (iv) discussions with various stakeholders in these proceedings (including Lawson Lundell LLP, legal counsel to the Stalking Horse Purchaser); and (v) the receivership application materials (collectively, the “Information”).

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this First Report by any party.
3. Additional background information regarding the Debtors and the reasons for the appointment of the Receiver are provided in the application materials of KingSett. Copies of the Court materials filed to-date in these proceedings are available on the Receiver’s case website: <https://www.ksvadvisory.com/experience/case/henrystreet>.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

2.0 Background¹

2.1 Debtors

1. Henry Street is a single-purpose entity that is the sole shareholder of 079 BC. 079 BC is Henry Street’s designated nominee and is the registered owner of the Real Property.
2. The Receiver understands that the Debtors do not have any employees. All personnel involved with developing the Real Property are employed by Aultrust, a company that was contracted by the Debtors to provide project development services.

2.2 The Project

1. The Real Property is a 4.34 acre plot of vacant land located at the southeast corner of Henry Street in Port Moody, British Columbia. It is situated near several major roadways and public transit hubs in the greater Vancouver area. The land has been designated for the future development of a multi-residential property and the Debtors have obtained the requisite development permits for the same.
2. Efforts to develop the project began in 2017. While initially, the development of the project was proceeding according to plan, progress became continuously delayed. As of now, the Real Property remains undeveloped land.

¹ Since filing and serving its notice of application on October 11, 2024, the Receiver was made aware of new information pertaining to the background of the Real Property’s development history. As a result, certain background information in this First Report may be inconsistent with the Receiver’s previously served notice of application.

3.0 Creditors

3.1 Secured Creditors

1. As detailed in the receivership application materials, KingSett is the principal secured creditor of the Debtors. KingSett holds a mortgage and letter of credit registered on title to the Real Property, both of which were issued in accordance with the terms of a commitment letter dated September 10, 2021, as amended by a first amendment dated October 17, 2021, a second amendment dated October 16, 2023, and as may be further amended, restated, or supplemented from time to time (the “Commitment Letter”). The obligations owing under the Commitment Letter are secured by a first-ranking collateral mortgage over the Real Property and a general security agreement granted by the Debtors.
2. In January 2024, Henry Street’s limited partners declined to fund further cash calls. As a result, the Debtors subsequently defaulted on their financial obligations under the Commitment Letter. As at June 6, 2024, KingSett was owed approximately \$14 million (interest and costs continue to accrue) (the “KingSett Indebtedness”).
3. Counsel for the Receiver has not yet conducted a security review of KingSett’s security.

3.2 Other Creditors

1. Based on the Debtors’ books and records, as at the date of the Receivership Order, the Debtors’ other pre-filing obligations total approximately \$1.3 million.

4.0 Stalking Horse APS and Sale Procedure²

4.1 The Pre-filing Sales Process

1. Due to the slow development progress of the Real Property, the Debtors’ stakeholders became increasingly dissatisfied with the project. As a result, they requested that the Debtors initiate a sales process for the Real Property to examine options for an exit of the project.
2. Colliers was initially engaged in late 2021, and initiated a full marketing campaign in January 2022, contacting 2,418 database contacts. This outreach resulted in 15 parties signing confidentiality agreements and being granted access to the data room, and one offer being received. The Debtors entered into a joint venture agreement with the successful bidder, however the deal was ultimately rejected by Henry Street’s limited partners in September 2022.
3. No marketing of the Property was undertaken during 2023.

² Capitalized terms in this section have the meaning provided to them in the Stalking Horse APS or the Sale Procedure unless otherwise defined herein.

4. As a result of Henry Street's limited partners declining to continue providing further funding, the Debtors re-engaged Colliers to conduct a sale process in January 2024 (the "Pre-filing Sales Process").
5. Colliers marketed the property between January 2024 and June 2024. The marketing efforts included:
 - a) preparing a teaser summarizing the details of the Real Property;
 - b) distributing the teaser to 18 top tier developers operating in the greater Vancouver area and invited them to submit bids, and engaging in active discussions with 15 of those developers; and
 - c) providing various parties access to a data centre containing certain due diligence material on the opportunity
6. An offer was accepted in February 2024, but did not lead to a transaction and the offer expired at the end of February 2024. Despite extensively marketing the Real Property over an extended period of time, no other offers were received.

4.2 The Stalking Horse Agreement

1. Following the Receiver's appointment, the Receiver was introduced to the Purchaser by Amin Eskooch, principal of Aultrust. Aultrust is an unsecured creditor of the Debtors, holding a claim of \$721,000 in respect of unpaid development management fees. The Receiver understands that Mr. Eskooch held an equity interest in Henry Street through a numbered company and is a guarantor of the KingSett Indebtedness.
2. While Mr. Eskooch introduced the Purchaser to the Receiver, he has informed the Receiver that he will not hold, directly or indirectly, any equity interest in the Purchaser. However, he is currently in negotiations with the Purchaser to serve as the development manager for the project.
3. The purpose of the Sale Procedure is to market the Property, while providing stakeholders, including creditors, with the certainty of a "floor" transaction through the Stalking Horse APS.
4. The Stalking Horse APS contemplates a transaction whereby the Stalking Horse Purchaser, if selected as the Successful Bidder in the Sale Procedure, will purchase the Property.
5. The following constitutes a summary description of the Stalking Horse APS only. Reference should be made directly to the Stalking Horse APS for all its terms and conditions. A copy of the Stalking Horse APS is attached as Appendix "B".
6. The key terms and conditions of the Stalking Horse APS are provided below.
 - **Vendor:** the Receiver.
 - **Stalking Horse Purchaser:** 1496619 B.C. Ltd.
 - **Purchased Assets:** all right, title and interest of the Debtors, if any, in certain assets including the following:

- a) the Real Property (the full legal descriptions of which are set out in Stalking Horse APS);
- b) all issued and outstanding shares in 079 BC;
- c) all amounts and monetary obligations owing to the Debtors as of the Closing Date;
- d) the Books and Records related to the Purchased Assets; and
- e) the Intellectual Property, being the property listed in Schedule “B” to the Stalking Horse APS.

- **Purchase Price:**

The Purchase Price consists of: (a) all amounts payable in priority to KingSett, including the fees of the Receiver and its counsel (the Prior-Ranking Amounts); and (b) the KingSett Secured Indebtedness, which includes without limitation, all outstanding principal, accrued interest, fees and other costs, of which is exclusive of any applicable Transfer Taxes.

- **Payment of Purchase Price:**

- a) Deposit – a cash deposit of \$500,000 payable upon execution of the Stalking Horse APS. The Receiver confirms that it has received the deposit; and
- b) Balance due on Closing – the balance of the Estimated Purchase Price (being the balance after application of the deposit) shall be payable in cash on the Closing Date, as well as any and all applicable Transfer Taxes.

- **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties on the part of the Receiver.

- **Material Conditions:** include, among other things:

- a) the Stalking Horse PSA will have been determined in accordance with the Sale Procedure to be the Successful Bid (as defined in the Sale Procedure);
- b) the Sale Procedure Order and the Reverse Vesting Order shall have been granted by the Court and such Orders will be Final Orders (i.e. any applicable appeal period will have expired and any appeal or application for leave to appeal will have been finally determined) (the “Court Approval Condition”); and
- c) no Applicable Law or Order will be in effect that restrains or prohibits consummation of the Transaction or Closing.

- **Closing Date:** 10 Business Days following satisfaction of the Court Approval Condition, subject to extension once each by the Receiver and the Stalking

Horse Purchaser for up to 10 Business Days.

- **Outside Date:** March 28, 2025.
- **Termination:** the Stalking Horse APS can be terminated in the following circumstances, among others:
 - a) by mutual written consent of the Receiver and the Stalking Horse Purchaser;
 - b) automatically and immediately upon the selection by the Receiver of a Successful Bid, if the Stalking Horse APS is neither the Successful Bid nor the Back-Up Bid; and
 - c) if Closing has not taken place by the Outside Date.

4.2.1 Expense Reimbursement

1. The Stalking Horse APS includes provision for payment of the Purchaser's Expenses of up to \$150,000, representing approximately 1% of the Purchase Price, if the Stalking Horse APS is terminated a result of the Receiver selecting another bid as the Successful Bidder (if the Stalking Horse APS is not the Backup Bid) or closing of a transaction with another bidder (if the Stalking Horse APS is the Backup Bidder) (the "Expense Reimbursement").
2. The Expense Reimbursement is intended to compensate the Stalking Horse Purchaser for its expenditures of time and money, including in connection with the preparation of the Stalking Horse APS and in performing due diligence, and its agreement to act as the stalking horse bidder.
3. The Stalking Horse APS does not contemplate a break fee separate from the Expense Reimbursement.
4. The Receiver conducted a comparative analysis of the Expense Reimbursement against other bid protections approved by Canadian courts in insolvency proceedings initiated between 2021 and 2024. The detailed comparison is included in Appendix "C". Based on this analysis, the Receiver is of the opinion that the Expense Reimbursement falls below the lower end of the range of reasonable bid protections observed in comparable insolvency cases.

4.2.2 Reverse Vesting Order

1. If the Stalking Horse APS is determined to be the Successful Bid, the transaction is proposed to be completed via an approval and reverse vesting order (the "RVO"), the proposed form of which is attached as Schedule "D" to the Stalking Horse APS. Pursuant to the RVO, 079 BC will continue to hold all of its right, title, and interest in and to the Purchased Assets.
2. Assuming the Stalking Horse APS is selected as the Successful Bid, the Receiver will return this Court to seek the RVO and will provide its comments and recommendations on the reasonableness of the proposed form of RVO at that time.

4.3 Sale Procedure

4.3.1 Marketing Process

1. Capitalized terms and not otherwise defined in this section of the First Report have the meanings given to them in the Sale Procedure (Schedule “E” to the Stalking Horse APS).
2. The Receiver will administer the Sale Procedure with the assistance of Colliers (the “Sales Agent”). Colliers is familiar with the Property as it conducted the Pre-filing Sale Process. Because Colliers is familiar with the Property, it is able to immediately commence the Sale Procedure.
3. Under the terms of the proposed Listing Agreement, the Sales Agent is entitled to a work fee of \$60,000 (the “Work Fee”). The Sales Agent will also be entitled to a commission on any sale proceeds that exceed approximately \$15.15 million. The Work Fee will be payable regardless of the outcome of the Sale Procedure. Absent the commission provision, it is unlikely that the Sales Agent, or any realtor, would invest the time and effort required to properly market the Property.
4. At the time of this First Report, the Sales Agent was completing its review of the proposed Listing Agreement. The Receiver intends to append a revised copy of the finalized Listing Agreement in a supplement to this First Report, should there be any material changes. A copy of the proposed form of the Listing Agreement is attached as Appendix “D”.
5. The Receiver, with assistance from the Sales Agent, will prepare and disseminate the marketing materials and solicit interest from parties potentially interested in pursuing a transaction (each, a “Potential Bidder”).
6. As soon as practicable (and in any case, within two calendar days of the Sale Procedure Order being granted), the Receiver will:
 - a) cause a notice of the Sale Procedure to be published in applicable industry publications, websites and/or forums;
 - b) in consultation with the Sales Agent, prepare a summary describing the opportunity, outlining the SSP Procedures and inviting recipients to express their interest in making a Qualified Bid (a “Teaser Letter”) for distribution to Potential Bidders;
 - c) provide access to a data room providing diligence information to Potential Bidders, subject to execution of a non-disclosure agreement (“NDA”); and
 - d) request that Potential Bidders (other than the Stalking Horse Purchaser) submit LOIs and Qualified Bids by the LOI Deadline and the Qualified Bid Deadline (as applicable).

4.3.1 SSP Procedures

7. The key elements of the Sale Procedure (referred to as the “SSP Procedures”) are outlined in Schedule “E” to the Stalking Horse APS and summarized below. Interested parties are encouraged to review the complete terms of the Sale Procedure for full

details. A summary of the Sale Procedure timelines (relative to the granting of the Sale Procedure Order unless otherwise stated) are as follows:

Milestone	Key Dates
Distribution of marketing materials	As soon as practicable
LOI Deadline	30 calendar days
Qualified Bid Deadline	45 calendar days
Auction (if required)	3 business days following notification of Auction Date
Court hearing	Within 15 days after the selection of the Successful Bid
Closing of Successful Bid	Within 3 business days following the expiry of the appeal period/final determination of appeal or application for leave to appeal ³

8. The Sale Procedure contemplates a phased bid deadline, starting with a 30-day window for submitting a letter of intent (“LOI”), which should (a) identify the Potential Bidder and include a general description of the Property that is the subject of the bid, (b) set out the proposed consideration, and (c) demonstrate a reasonable likelihood of resulting in a Qualified Bid. This structure provides interested parties with an additional 15 days to finalize and submit their Qualified Bids.
9. Potential Bidders must submit their bids and other required materials by 5:00 p.m. (Pacific Time) on the LOI Deadline and the Qualified Bid Deadline, as applicable.
10. The Receiver is of the view that the duration of the Sale Procedure is reasonable and sufficient to allow interested parties time to perform due diligence and submit offers as: (i) the market has already been extensively tested during Pre-filing Sales Process; (ii) the Sale Procedure will be administered with the assistance of Colliers, who has extensive knowledge of the Property from the Pre-filing Sales Process; and (iii) the timeline is consistent with the timelines and structures for sales processes involving a stalking horse bid in other insolvency proceedings.

4.3.2 Qualified Bids

1. To be a “Qualified Bid”, a bid must, among other things, meet the following requirements:
 - a) provide consideration in excess of the Purchase Price plus the Expense Reimbursement (the “Consideration Value”);
 - b) provide for a closing of the transaction by not later than the Outside Date;
 - c) include:
 - i. duly executed and binding transaction documents, as well as a blackline of the executed purchase and sale agreement to the Template APS;
 - ii. the legal name and identity (including jurisdiction of incorporation/formation) and contact information of the Qualified Bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s); and

³ As described above, if the Stalking Horse APS is selected as the successful transaction, the Closing Date will be 10 Business Days after satisfaction of the Court Approval Condition.

- iii. disclosure of any connections or agreements with the Debtors or any of their affiliates;
 - d) be accompanied by a cash deposit in the amount equal to \$250,000, which Deposit shall be retained by the Receiver in a trust account in accordance with the terms thereof;
 - e) provide that the bid will remain irrevocable until the earlier of: (i) closing of the Successful Bid; or (ii) closing of the Back-Up Bid;
 - f) include evidence satisfactory to the Receiver of the availability of funds or other financial commitment being in place that would allow the Qualified Bidder to close the bid;
 - g) not include a provision requesting or entitling the Qualified Bidder to any expense reimbursement or similar type of payment;
 - h) not be conditional on having to obtain financing or the outcome of unperformed due diligence; and
 - i) contain evidence of authorization and approval from the Qualified Bidder's board of directors.
2. Notwithstanding the qualification requirements in the Sale Procedure, the transaction contemplated by the Stalking Horse APS (i.e. the Stalking Horse Bid) is deemed to be a Qualified Bid.

4.3.3 Selection of Successful Bid

1. If, by the LOI Deadline: (a) no LOI has been received, or (b) no single LOI has been received with consideration at least as much as the Consideration Value, then the Sale Procedure shall be deemed to be terminated, and the Stalking Horse Bid shall be designated as the Successful Bid. As noted above, the Receiver will then return to the Court to seek the RVO.
2. If no Qualified Bids are submitted by the Qualified Bid Deadline, the Purchaser will be the Successful Bidder and the Stalking Horse Bid will be the Successful Bid.
3. If one or more Qualified Bids (other than the Stalking Horse Bid) are received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the Successful Bid(s), which Auction shall be administered in accordance with the SSP Procedures. Upon determining that an Auction is required, the Receiver shall provide written notice of the Auction to each party that submitted a Qualified Bid (including the Purchaser), along with copies of all Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading bid. The Successful Bid(s) selected within the Auction shall constitute the Successful Bid.
4. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the key milestones under the Sale Procedure, including seeking an approval and vesting order in connection with the Successful Bid.

4.3.4 Stalking Horse APS and Sale Procedure Recommendation

1. The Receiver recommends that this Court issue the proposed Sale Procedure Order for the following reasons:
 - a) the Sale Procedure Order facilitates broad marketing of the property, ensuring the market is fully tested for the benefit of stakeholders;
 - b) the bidding procedures contemplated under the Sale Procedure Order provide an opportunity to complete a transaction with greater value than the Stalking Horse APS, which benefits all stakeholders, and optimizes the chances of securing the best possible price for the Property;
 - c) the duration of the Sale Procedure is sufficient to allow interested parties to perform diligence and submit offers;
 - d) the Stalking Horse APS is fair and reasonable and it is in the best interests of the Debtors' stakeholders that the Stalking Horse APS be preserved in order to have the opportunity to maximize value and to protect downside risk in the event that a superior transaction is not identified;
 - e) the selection of Colliers as the Sales Agent is strategic given Colliers' familiarity with the Property. This will expedite the marketing and sale process, enhancing the chances of a successful outcome in a shorter timeframe;
 - f) a phased approach to the bidding and Auction process minimizes the risk of prolonged legal proceedings or uncertainty. This helps to reduce legal and administrative costs, benefiting creditors and other stakeholders;
 - g) KingSett, the major financial stakeholder of the Debtors, is supportive of the Sale Procedure Order; and
 - h) the Expense Reimbursement is fair and reasonable in the circumstances and will not discourage interested parties from submitting offers in the Sale Procedure.

5.0 Receiver's Activities

1. Since its appointment, the Receiver has performed the following key activities:
 - a) obtaining information regarding the Debtors' bank accounts and issuing a notice to the Royal Bank of Canada to put any such accounts on deposit only;
 - b) setting up the Receiver's bank accounts for the management of the Debtors' financial activity during these proceedings;
 - c) meeting with Colliers to discuss efforts taken to conduct the Pre-filing Sales Process;
 - d) adding the Receiver as a named insured party on the Debtors' existing insurance policies;

- e) preparing and delivered notice of these proceedings to all known creditors pursuant to Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- f) negotiating, reviewing and entering into the Stalking Horse APS with support from its legal counsel, Cassels Brock & Blackwell LLP;
- g) preparing a list of all known secured and unsecured creditors;
- h) maintaining the Case Website for these Proceedings; and
- i) preparing this First Report.

6.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1) (d) of this Report.

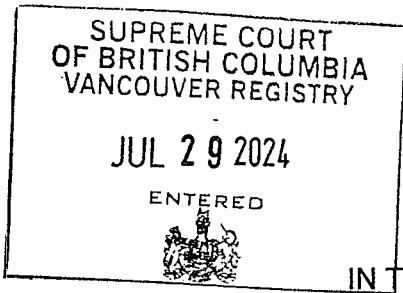
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All of which is respectfully submitted,



**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
3000 HENRY STREET LIMITED PARTNERSHIP AND 0790857 B.C. LTD.
AND NOT IN ITS PERSONAL OR ANY OTHER CAPACITY**

Appendix “A”



No. S-244083
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND

**3000 HENRY STREET LIMITED PARTNERSHIP
and
0790857 B.C. LTD.**

RESPONDENTS

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
3000 HENRY STREET LIMITED PARTNERSHIP
AND 0790857 B.C. LTD.**

ORDER MADE AFTER APPLICATION

BEFORE } THE HONOURABLE JUSTICE STEPHENS } 2024/07/29

ON THE APPLICATION of the Petitioner for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "**LEA**") appointing KSV Restructuring Inc. ("**KSV**") as Receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and property of 3000 Henry Street Limited Partnership and 0790857 B.C. Ltd. (the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, coming on for hearing this day at 800 Smithe Street, Vancouver, British Columbia.

AND ON READING Affidavit #1 of Daniel Pollack made June 6, 2024, and the consent of KSV to act as the Receiver; AND ON HEARING Emma Newbery, counsel for KingSett Mortgage Corporation and those other counsel listed on Schedule "A" hereto.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, KSV is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtors, including all proceeds (the "Property").

RECEIVER'S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
 - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Debtors;
 - (g) to settle, extend or compromise any indebtedness owing to the Debtors;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
 - (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the

Debtors, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$500,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000, and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) to apply for remedies available under the BIA, including to declare or make an assignment into bankruptcy in respect of the Debtors; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtors; (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5, or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

13. Subject to the employees' right to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtors, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver. The Receiver is empowered but not obligated to interact with, and provide direction to, individuals who are on the Property, but are not employed by the Debtors, in matters relating to safety, access and use of the Property.

PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a

contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver's appointment; or,
 - (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
 - (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

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

RECEIVER'S ACCOUNTS

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
24. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
25. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://www.ksvadvisory.com/experience/case/Henrystreet> (the "**Website**") and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as Schedule "C" (the "**Demand for Notice**"). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.
30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the "**Service List**"). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 31 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

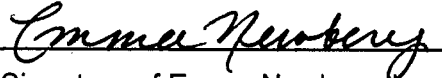
GENERAL

34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.

35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
39. The Petitioner shall have its costs of this petition, up to and including entry and service of this Order, as provided for by the terms of the Petitioner's security or, if not so provided by the Petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
40. Endorsement of this Order by counsel appearing on this application other than the Petitioner is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

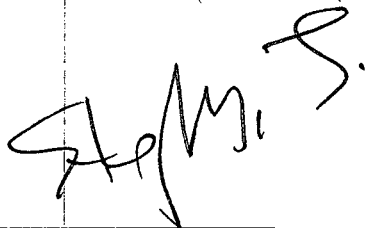


Signature of Emma Newbery, lawyer for the
Petitioner



BY THE COURT

~~DISTRICT~~ REGISTRAR





Appendix “B”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated for reference this 3rd day of October, 2024

BETWEEN:

KSV RESTRUCTURING INC., in its capacity as Court-appointed receiver and manager of the Receivership Property and not in its personal or any other capacity

(the “**Receiver**”)

-and-

1496619 B.C. LTD., a company incorporated under the laws of British Columbia with an address at N210 – 5811 Cooney Road, Richmond, British Columbia, V6X 3M1

(the “**Purchaser**” and, together with the Receiver, the “**Parties**”)

WHEREAS:

- A. On July 29, 2024, the Supreme Court of British Columbia (the “**Court**”) pronounced an Order (the “**Receivership Order**”), appointing the Receiver as receiver and manager, without security of all of the assets, undertakings, and property of the Debtors as they relate to the Property, together with the Property itself, and including the proceeds thereof (collectively, the “**Receivership Property**”) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (Canada) and section 39 of the *Law and Equity Act* (British Columbia).
- B. Following execution of this Agreement, the Receiver intends to seek approval of a Sale Procedure Order (as defined below), among other things, approving: (a) the Sale Procedure (as defined below), (b) this Agreement solely as a ‘stalking horse bid’ pursuant to the Sale Procedure, and (c) the Expense Reimbursement (as defined below).
- C. Subject to the terms and conditions contained herein, the Purchaser has agreed to make a “stalking horse bid” to purchase the Purchased Assets (as defined below), such that in the absence of the Receiver accepting a bid pursuant to the Sale Procedure that is superior to the bid contained in this Agreement, as determined by the Receiver and in accordance with the Sale Procedure, the Purchaser has agreed to purchase the Debtors’ right, title and interest in and to the Purchased Assets on the terms set out in this Agreement, in accordance with the Sale Procedure and subject to obtaining the Reverse Vesting Order (as defined below).

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, including the Purchase Price and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“**Accounts Receivable**” means all amounts and monetary obligations owing to the Debtors as of the Closing Date.

“**Adjustment Date**” means 11:59 p.m. on the day before the Closing Date.

“**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to Sections 3.4 to 3.6.

“**Agreement**” means this Agreement and the Schedules attached hereto, as amended from time to time.

“**Applicable Laws**” means the statutes, regulations, Orders, judgments, decrees, rules or other lawful requirements of Governmental Authorities which are applicable to the Purchased Assets or any of the Parties.

“**Assignment and Assumption of Intangible Assets**” means an assignment and assumption of the Accounts Receivable, Books and Records, Intellectual Property, and Insurance Rights, to be delivered on Closing pursuant to Sections 7.1 and 7.2.

“**Backup Bid**” shall have the meaning set out in the Sale Procedure.

“**BIA**” means the *Bankruptcy and Insolvency Act* (Canada).

“**Books and Records**” means all of the Debtors’ books and records at the Closing Date relating to the Purchased Assets, including all technical and business records, licences, approvals, warranties, manuals, accounting records, copies of insurance policies (excluding copies of insurance policies relating to directors’ and officers’ insurance), and maintenance and usage logs, whether in hard copy or electronic format that: (i) are in the possession or control of the Receiver as of the date of this Agreement; and (ii) can be separated, organized and made available to the Purchaser upon the Receiver utilizing commercially reasonable efforts.

“**Business Day**” means any day other than a Saturday or Sunday and which is not a statutory holiday in Canada and/or the Province of British Columbia.

“**Claims**” means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on a solicitor and client basis, and other professional fees and disbursements, interest, demands and actions of any nature or any kind whatsoever.

“**Closing**” means the closing of the Transaction and the sale of the Purchased Assets, including, without limitation, the payment of the Estimated Purchase Price and the delivery of the Closing Documents, on the Closing Date at the offices of the Receiver’s Solicitors.

“**Closing Date**” means the date that is 10 Business Days following satisfaction of the Court Approval Condition, subject to extension under Section 5.6.

“**Closing Documents**” means the agreements, instruments and other documents to be delivered by the Receiver to the Purchaser or the Purchaser’s Solicitors pursuant to Section 7.1 and the agreements, instruments and other documents to be delivered by the Purchaser to the Receiver or the Receiver’s Solicitors pursuant to Section 7.2.

“**Commissions**” means any fees or commissions owing to the Receiver’s Broker (if any) with respect to the Property and the Sale Procedure, but shall not include any fees or commissions owing to any broker or agent engaged by the Purchaser.

“**Conditions Precedent**” means, collectively, the Mutual Conditions, the Receiver’s Conditions, and the Purchaser’s Conditions.

“**Court**” shall have the meaning set out in the Recitals hereto.

“**Court Approval Condition**” shall have the meaning set out in Section 5.1.

“**Debtors**” means the Limited Partnership and the Nominee.

“**Deposit**” shall have the meaning set out in Section 3.2.

“**Development Rights**” means all permits, municipal rezoning and development applications and development rights relating to or in connection with the Lands.

“**Election Notice**” shall have the meaning set out in Section 8.2.

“**Encumbrances**” means all mortgages, pledges, charges, liens, construction liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, options, equitable interests or beneficial interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, the Purchased Assets or any part thereof or interest therein, including, without limitation, easements, servitudes, rights of way, restrictions, any subdivision, site plan, development or other agreements with a Governmental Authority affecting the Property, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) which encumber title to the Purchased Assets or any part thereof or interest therein.

“**Environmental Laws**” means all Applicable Laws relating to the environment or any Hazardous Substance.

“**Estimated Purchase Price**” means the Receiver’s *bona fide* estimate, at the time of delivery of its Statement of Adjustments to the Purchaser in accordance with Section 3.6, the total of (a) the Prior-Ranking Amounts (if any) as of the Closing Date, and (b) the KingSett Secured Indebtedness including, without limitation, all outstanding (i) principal, (ii) accrued interest, (iii) fees, and (iv) costs, all of which shall be exclusive of Transfer Taxes where applicable.

“**Excise Tax Act**” means the *Excise Tax Act* (Canada), R.S.C., 1985, c. E-15.

“**Excluded Assets**” means any assets listed in **Schedule “A”** hereto.

“**Final Order**” means, in respect of any Order, such Order after (i) the expiry of applicable appeal periods; or (ii) in the event of an appeal or application for leave to appeal or to stay, vary, supersede, set aside or vacate such Order, final determination of such appeal or application by the applicable court of appellate tribunal.

“**Finalized Statement**” shall have the meaning set out in Section 3.1(c).

“**Governmental Authority**” means any government, regulatory authority, government department, agency, utility, commission, board, tribunal, court or other law, rule or regulation making entity having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof, or having jurisdiction over the relevant circumstances, or any person acting under the authority of any of the foregoing.

“**GST**” means goods and services tax, and, if applicable, harmonized sales tax imposed under Part IX of the ETA.

“**Hazardous Substance**” means any contaminant, substance, pollutant, waste, hazardous material, toxic substance, radioactive substance, petroleum, its derivatives, by-products and other hydrocarbons, dangerous substance or dangerous good or material that is: (i) deemed hazardous or toxic under Environmental Laws; (ii) prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws; or (iii) present to a degree or in an amount in excess of thresholds regulated under Environmental Laws.

“**Insurance Rights**” means all rights of the Debtors of every nature arising out of all insurance policies relating to any of the Purchased Assets, which are assignable without the consent of the counterparty, but excluding any and all insurance policies relating to directors’ and officers’ insurance.

“**Intellectual Property**” means the intellectual property of the Debtors relating to the Purchased Assets, including trademarks, copyright, drawings, plans, inventions, works, designs, and know-how, listed in **Schedule “B”** hereto.

“**KingSett**” means KingSett Mortgage Corporation.

“**KingSett Secured Indebtedness**” means all amounts secured by the KingSett Security.

“**KingSett Security**” means the security granted by the Debtors in favour of KingSett, including the location specific security agreement dated November 1, 2021 between the Debtors and KingSett, the Equitable Mortgage and Estoppel Agreement dated November 1, 2021 granted by the Debtors in favour of KingSett, and the mortgage and assignment of rents dated November 4, 2021 granted by the Nominee in favour of KingSett.

“**Lands**” means the lands and premises in Port Moody, British Columbia legally described as PID: 002-083-931, Lot 17 District Lot 190 Group 1 New Westminster District Plan 11618, PID: 002-083-957, Lot 18 District Lot 190 Group 1 New Westminster District Plan 11618, PID: 002-422-875, Lot 19 District Lot 190 Group 1 New Westminster District Plan

11618, and PID: 002-422-891, Lot 20 District Lot 190 Group 1 New Westminster District Plan 11618.

“**Limited Partnership**” means 3000 Henry Street Limited Partnership.

“**Nominee**” means 0790857 B.C. Ltd.

“**Outside Date**” means March 28, 2025, or such later date as the Parties may agree in writing.

“**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

“**Permitted Encumbrances**” means the Encumbrances against the Purchased Assets listed or described in **Schedule “C”** hereto and any other Encumbrances approved by the Purchaser on or before the Closing Date.

“**Person**” means an individual, partnership (limited or general), corporation, trust, unincorporated organization, government or any department or agency thereof, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.

“**Prepaid Expenses**” means any expenses in respect of the Purchased Assets paid in advance by the Debtors or the Receiver.

“**Prior-Ranking Amounts**” includes all amounts secured by the Receiver’s Charge, all amounts secured by the Receiver’s Borrowings Charge, and any other amounts payable in priority to the KingSett Secured Indebtedness.

“**Project Documents**” means:

- (a) copies of any environmental, or geotechnical reports or studies;
- (b) copies of plans, specifications, and surveys for and relating to the Lands and the Development Rights, including mechanical, architectural, or electrical design drawings and building specifications all if in the Receiver’s possession;
- (c) copies of any construction contracts relating to the buildings to be constructed by way of the Development Rights;
- (d) evidence of the existing insurance relating to the Lands; and
- (e) copies of any permits relating to the Lands.

“**Property**” means collectively the Lands, Project Documents and Development Rights.

“**Property Conditions**” has the meaning set out in Section 2.3 hereto.

“**Provincial Sales Tax Act**” means the *Provincial Sales Tax Act* (British Columbia), S.B.C., 2012, c. 35.

“**PST**” means all provincial sales tax imposed pursuant to the Provincial Sales Tax Act or any equivalent or corresponding provincial or territorial legislation imposing a similar tax that may apply in respect of the transactions contemplated by this Agreement.

“**Purchase Price**” means the total of (a) the Prior-Ranking Amounts (if any) as of the Closing Date as approved by the Court, and (b) the KingSett Secured Indebtedness including, without limitation, all outstanding (i) principal, (ii) accrued interest, (iii) fees, and (iv) costs, all of which shall be exclusive of Transfer Taxes where applicable.

“**Purchased Assets**” means all the right, title and interest of the Debtors, if any, in, to and under:

- (a) the Shares;
- (b) the Property;
- (c) the Accounts Receivable;
- (d) the Books and Records;
- (e) the Intellectual Property,

provided, however, that it shall not include any of the Excluded Assets.

“**Purchaser’s Expenses**” means all costs and expenses reasonably incurred by the Purchaser in an amount not exceeding \$150,000 in connection with this Agreement, any Court proceedings, or any part of the Transaction, including without limitation all lender’s fees, legal fees, consultant fees, disbursements and taxes.

“**Purchaser’s Solicitors**” means Lawson Lundell LLP or such other firm or firms of solicitors as are appointed by the Purchaser from time to time and notice of which is provided to the Receiver.

“**Qualified Bid**” shall have the meaning set out in the Sale Procedure.

“**Receiver**” shall have the meaning set out in the Recitals hereto.

“**Receiver’s Borrowings Charge**” means the charge pursuant to and as defined in the Receivership Order.

“**Receiver’s Broker**” means the broker(s) (if any) selected by the Receiver to assist with the Sale Procedure;

“**Receiver’s Charge**” means the charge in favour of the Receiver and its counsel pursuant to and as defined in the Receivership Order.

“**Receiver’s Solicitors**” means Cassels Brock & Blackwell LLP or such other firm or firms of solicitors or agents as are retained by the Receiver from time to time and notice of which is provided to the Purchaser.

“**Receivership Order**” shall have the meaning set out in the Recitals hereto.

“Receivership Proceedings” means the proceedings commenced under the Receivership Order pursuant to which the Receiver was appointed as Receiver over the Receivership Property.

“Receivership Property” shall have the meaning set out in the Recitals hereto.

“Released Persons” means the Receiver, the Receiver’s Broker (if any), the Debtors, and the directors, officers, employees, agents, professional advisors, successors and assigns of any of the foregoing.

“Reverse Vesting Order” means a reverse vesting order of the Court, substantially in the form attached hereto as **Schedule “D”**, pursuant to which the Nominee continues to hold all of its right, title and interest, if any, in and to:

- (a) the Property;
- (b) the Accounts Receivable;
- (c) the Books and Records;
- (d) the Intellectual Property; and
- (e) the Insurance Rights.

“Sale Procedure” means the sale procedure substantially in the form attached as **Schedule “E”** hereto, provided that such sale procedure is approved by the Court pursuant to the Sale Procedure Order.

“Sale Procedure Application” means an application by the Receiver seeking, *inter alia*, the Sale Procedure Order.

“Sale Procedure Order” means an order of the Court substantially in the form attached as **Schedule “G”**, with such amendments as are acceptable to the Receiver and the Purchaser, among other things, approving the (a) Sale Procedure, and (b) this Agreement, solely for the purposes of acting as the “stalking horse bid” in the Sale Procedure.

“Sales Tax” means goods, services, harmonized sales, sales, retail sales, use, consumption, personal property, customs, excise, stamp, transfer, or similar taxes, duties or charges, including GST and PST.

“Shares” means all the issued and outstanding shares in the capital of the Nominee.

“Statement of Adjustments” has the meaning set out in Section 3.6 hereto.

“Successful Bid” shall have the meaning set out in the Sale Procedure.

“Successful Bidder” shall have the meaning set out in the Sale Procedure.

“Taxes” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes,

withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums or contributions, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST, PST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties.

"Transaction" means the purchase and sale of the Purchased Assets provided for in this Agreement.

"Transfer Taxes" means all applicable Taxes payable upon or in connection with the transactions contemplated by this Agreement or in connection with the transactions contemplated by the Closing Documents, and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement, including GST and PST.

"Trust Declaration" means the nominee agreement dated December 7, 2017 pursuant to which the Nominee holds legal title to the Lands for and on behalf of the Limited Partnership.

"Vesting Order Application" means an application by the Receiver seeking the granting of the Reverse Vesting Order.

1.2 Schedules

The following schedules attached hereto form part of this Agreement:

- (a) Schedule "A" – Excluded Assets;
- (b) Schedule "B" – Intellectual Property;
- (c) Schedule "C" – Permitted Encumbrances;
- (d) Schedule "D" – Reverse Vesting Order;
- (e) Schedule "E" – Sale Procedure; and
- (f) Schedule "F" – Sale Procedure Order.

1.3 Terms of Reference

References to a specific article or section, unless something in the subject matter or context is inconsistent therewith, shall be construed as references to that specific article or section of this Agreement. The terms "this Agreement", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer: (i) generally to this Agreement and not to any particular article, section or other portion of this Agreement; and (ii) to any documents supplemental hereto.

1.4 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, clauses and paragraphs and other portions, and the insertion of headings and a table of contents, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian dollars.

1.6 Gender and Number

All words importing the singular include the plural and vice versa. All words importing gender include all genders.

1.7 Date for Any Action

Unless otherwise specified, references to “days” shall refer to calendar days, provided, however, that if the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.8 Time

Unless otherwise specified, all references to time expressed in this Agreement and in any document issued in connection with this Agreement mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

2.1 Purchase and Sale of the Purchased Assets

Upon and subject to the terms and conditions of this Agreement (which conditions, for greater certainty, include the issuance of the Sale Procedure Order, the determination by the Receiver that this Agreement is the Successful Bid, and the issuance of the Reverse Vesting Order), the Receiver agrees to sell, and the Purchaser agrees to purchase, the Purchased Assets for the Purchase Price, subject only to the Permitted Encumbrances, and all other Encumbrances shall (a) be discharged and released as required by the Reverse Vesting Order, and (b) with respect to the Nominee’s interest, if any, in the Property, the Accounts Receivable, the Books and Records, the Intellectual Property and the Insurance Rights, vested out thereof as required by the Reverse Vesting Order. This Agreement shall be completed on the Closing Date at the offices of the Receiver’s Solicitors subject to the terms and conditions of this Agreement.

2.2 Binding Agreement

The agreements of the Receiver and the Purchaser set forth in Section 2.1 create and constitute a binding agreement of purchase and sale for the Purchased Assets in accordance with the provisions of this Agreement.

2.3 Acknowledgement of Purchaser as to Condition of the Purchased Assets

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Purchaser acknowledges and agrees that:

- (a) the Purchased Assets are being sold and purchased and the Transaction is being effected on an “as-is, where-is” basis, without any representation, warranty or covenant by the Receiver, the Debtors or any other Person, other than as set out in this Agreement;
- (b) the Receiver makes no representations or warranties, other than and only to the extent of the representations and warranties set out in Section 6.1, of any nature whatsoever with respect to any information or documentation disclosed to the Purchaser, nor with respect to the Purchased Assets, including, without limitation, title thereto and/or the state of any Encumbrances or the Transaction, including, without limitation: (i) the conformity of the Lands to past, current or future applicable zoning or building code requirements or other Applicable Laws; (ii) the existence of soil instability, past soil repairs, soil additions or conditions of soil fill or any other matter affecting the stability or integrity of the Lands; (iii) the sufficiency of any drainage; (iv) whether the Lands are located wholly or partially in a flood plain or a flood hazard boundary or similar area; (v) the existence or non-existence of underground and/or above ground storage tanks; (vi) the availability of public utilities, access, parking and/or services for the Lands; (vii) the fitness or suitability of the Lands for occupancy or any intended use (including matters relating to health and safety); (viii) the potential for further development of the Lands; (ix) the existence of land use, zoning or building entitlements affecting the Lands; (x) the presence, release or use of any Hazardous Substance in, under, on or about the Lands or any neighbouring lands; and (xi) the conformity or compliance of the Purchased Assets to any municipal by-laws, including those relating to the preservation of heritage, cultural or historical property (collectively, the “**Property Conditions**”);
- (c) as part of the Purchaser’s agreement to purchase the Purchased Assets and to accept the Purchased Assets in the condition set out in this Section 2.3, and not as a limitation on such agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Purchaser might have against the Receiver and/or the Debtors pursuant to any warranty, express or implied, of any kind or type relating to the Purchased Assets or any other assets, the Property Conditions or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes, without limitation, waiver of express warranties, implied warranties, any warranties at law and/or in equity, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and Claims of every kind and type, including, without limitation, Claims

regarding defects, whether or not discoverable, product liability Claims or similar Claims, and to all other extent or later created or conceived of strict liability or strict liability type Claims and rights;

- (d) none of the Receiver, the Receiver's Broker (if any) or the Debtors shall be responsible or liable for any misrepresentation, lack of disclosure or incorrect or incomplete disclosure of any nature whatsoever or failure to investigate the Purchased Assets on the part of any broker or sales agent, or any other purported or acknowledged agent, representative, contractor, consultant, or employee of the Receiver, the Debtors, or any third party;
- (e) the Receiver and/or the Debtors shall not be required to produce any abstract of title, deed or documents or copies thereof or any evidence as to title; and
- (f) the transfer of title to the Purchased Assets may be subject to certain work orders, municipal requirements, including building or zoning by-laws and regulations, easements for hydro, gas, and/or telephone affecting the Purchased Assets, and like services to the Lands, and restrictions and covenants which run with the Lands, including but not limited to the Permitted Encumbrances. Without limiting the foregoing, the Receiver and the Debtors shall not be responsible for rectification of any matters disclosed by any Governmental Authority.

The provisions of this Section 2.3 shall not merge on, but shall survive, Closing.

2.4 Receiver's Capacity

The Purchaser acknowledges and agrees that, except as set out in this Agreement, the Receiver will have no liability in connection with this Agreement whatsoever in its capacity as Receiver, in its personal or corporate capacity, or otherwise. The provisions of this Section 2.4 shall not merge on, but shall survive, Closing.

ARTICLE 3 PURCHASE PRICE AND ADJUSTMENTS

3.1 Purchase Price

The Parties acknowledge that the Purchase Price to be paid by the Purchaser to the Receiver on the Closing Date is not capable of being finalized prior to or on the Closing Date. Accordingly, the Parties agree that:

- (a) the purchase price stated in the Statement of Adjustments (as defined below) to be delivered by the Receiver to the Purchaser in accordance with Section 3.6 will be the

Estimated Purchase Price, which estimate may be higher or lower than the actual Purchase Price;

- (b) on Closing, and in the manner set out in Section 12.14 herein, the Purchaser shall pay to the Receiver:
 - (i) the Estimated Purchase Price, less the Deposit;
 - (ii) any and all applicable Sales Taxes, unless the applicable tax election, statutory declaration and indemnity, and/or certificate(s) are presented to the Receiver on or before the Closing Date; and
 - (iii) any and all other amounts payable pursuant to the Closing Documents;
- (c) provided the Closing occurs, then within ten Business Days after the Closing Date, the Receiver will provide to the Purchaser a written statement (the “**Finalized Statement**”) setting out in reasonable detail the finalized calculated individual amounts comprising the sum of the Purchase Price and certified to be correct by the Receiver; and
- (d) if the Estimated Purchase Price differs from the Purchase Price, then:
 - (i) the Purchaser will pay to the Receiver any underpayment of the Purchase Price determined by the Finalized Statement; or
 - (ii) the Receiver will refund to the Purchaser any overpayment of the Purchase Price determined by the Finalized Statement,

as the case may be, within five Business Days after the date of delivery of the Finalized Statement.

3.2 Deposit

The Parties acknowledge that:

- (a) the Purchaser has remitted \$500,000 to the Receiver which will be held by the Receiver in an interest-bearing account as a deposit (the “**Deposit**”) to be applied on account of the Estimated Purchase Price at Closing;
- (b) the Deposit will only be refundable to the Purchaser if:
 - (i) this Agreement is terminated pursuant to Section 8.2(b)(ii), and the Purchaser is not in default hereunder or has remedied any such default by the Purchaser hereunder within five Business Days of notice from the Receiver of the occurrence of such default; or
 - (ii) this Agreement is terminated pursuant to Section 11.1(a), 11.1(b), 11.1(c), 11.1(d), 11.1(e) or 11.1(f), and the Purchaser is not in default hereunder or has remedied any such default by the Purchaser hereunder within five Business Days of notice from the Receiver of the occurrence of such default.

Otherwise, the Deposit (and any interest accrued thereon) will be irrevocably forfeited to the Receiver and will be non-refundable. For greater certainty, such

forfeiture of the Deposit (and any interest accrued thereon) to the Receiver will be in addition to and not in substitution of any remedy the Receiver may have by reason of such default; and

- (c) any interest that accrues on the Deposit shall be solely for the benefit, and shall be the property, of the Purchaser, unless the Deposit is forfeited to the Receiver in accordance with this Agreement, in which case any interest that accrues on the Deposit shall be solely for the benefit, and shall be the property, of the Receiver.

3.3 Taxes

- (a) **Taxes.** The parties agree that the Purchase Price is exclusive of any Sales Taxes.
- (b) **Tax Elections and Certificates of Exemption.** If available, at Closing, the Receiver and the Purchaser shall execute jointly an election under section 167 of the ETA to have the sale of the Purchased Assets take place on a GST-free basis under Part IX of the ETA. The Purchaser shall file the election in the manner and within the time prescribed by Applicable Laws.
- (c) **Payment of GST.** If the Purchaser, or the Purchaser and any person or entity approved in writing by the Receiver to assume the obligations of the Purchaser under this Agreement (the "Assignee"), delivers to the Receiver on the Closing:
 - (i) a certificate in a form acceptable to the Receiver that the Purchaser and, if applicable, the Assignee, is registered for the purposes of Part IX of the ETA in accordance with the requirements of Subdivision D of Division V and including the registration number assigned to the Purchaser and/or Assignee; and
 - (ii) an indemnity in a form acceptable to the Receiver pursuant to which the Purchaser, or the Purchaser and such Assignee, agrees to indemnify the Receiver for any amounts for which the Receiver may become liable as a result of any failure by the Purchaser, or such Assignee, to pay the GST payable in respect of the sale of the Property under the ETA or otherwise,

then the Purchaser, or such Assignee, shall not be required to pay to the Receiver, nor shall the Receiver be required to collect from the Purchaser, or such Assignee, GST with respect to the purchase of the Lands together with any other Property that constitutes a supply of real property for the purposes of the ETA. If the Purchaser, or such Assignee, shall fail to deliver such certificate and indemnity, then the Purchaser, or such Assignee, shall pay to the Receiver, in addition to the Purchase Price, in pursuance of its obligation to pay and the Vendor's obligation to collect the GST under the provisions of the ETA, an amount equal to the GST payable on the Purchase Price attributable to such supply of real property.

3.4 General Adjustments

- (a) Except for those adjustments expressly provided for in Sections 3.5 and 3.6 (the "**Adjustments**") and the adjustments for any difference between the Estimated

Purchase Price and the Purchase Price provided for in Section 3.1(d), there shall not be any further adjustments to the Purchase Price.

- (b) Subject to the Transaction closing as contemplated herein, the Adjustments shall be made as of the Adjustment Date on an accrual basis. From and after the Adjustment Date, the Purchaser shall be responsible for all expenses, including any expenses assumed by the Purchaser under any assignment and assumption agreements, and shall be entitled to all revenue from the Purchased Assets. The Receiver and the Debtors shall be responsible for all expenses and entitled to all revenue from the Purchased Assets for that period ending on the Adjustment Date.
- (c) The provisions of this Section 3.3 shall not merge on, but shall survive, Closing.

3.5 Specific Adjustments

The Parties hereby acknowledge and agree that:

- (a) all Prepaid Expenses, operating costs and recoveries, realty taxes, water, sewer, local improvement rates and charges, utility deposits, and other applicable income and expense items and adjustments established by usual practice in the City of Port Moody for the purchase and sale of a similar property shall be apportioned and adjusted to the Closing Date (the day itself to be apportioned to the Purchaser) such that the Receiver will bear and pay all expenses and receive all income related to the Purchased Assets prior to the Closing Date and the Purchaser will bear and pay all expenses and receive all income related to the Purchased Assets from and after and including the Closing Date;
- (b) any Accounts Receivable shall be adjusted in favour of the Receiver. From and after the Closing Date, the Accounts Receivable shall be the property of the Purchaser;
- (c) in the event that there are any realty or business tax appeals for the calendar year prior to the calendar year in which the Closing occurs, the Purchaser shall, at its option, be entitled to take over such appeals and shall be entitled to receive any payment resulting therefrom. In the event there are realty or business tax appeals for the calendar year in which Closing occurs for the Property, the Purchaser may, at its option, take over such appeals and any payments received resulting therefrom shall be paid to the Purchaser. To the extent the Receiver receives any of the aforementioned payments on or after the Closing Date in respect of realty or business tax appeals for any year prior to the 2024 calendar year, it shall forthwith remit them to the Purchaser;
- (d) the Purchaser shall be entitled to a credit for: (i) the Receiver's pro-rata share of property taxes for the 2024 calendar year; (ii) any property taxes, arrears thereof and interest accruing thereon remaining unpaid as of the Adjustment Date for any previous calendar years; and (iii) all other amounts that would ordinarily be adjusted for in a typical commercial real estate transaction between sophisticated parties; and

- (e) from and after the Closing Date, the Purchaser shall provide to the Receiver and its auditors, during normal business hours at any time and from time to time upon reasonable prior notice to the Purchaser, ongoing access to the accounting books, files, records and information of the Purchaser relating to the Purchased Assets, for the purpose of calculating or verifying the amount of any Adjustments.

The provisions of this Section 3.5 shall not merge on, but shall survive Closing.

3.6 Statement of Adjustments

- (a) The Receiver shall carry out an accounting and adjustment and prepare and deliver to the Purchaser a statement of all adjustments and payments (the “**Statement of Adjustments**”), at least ten (10) Business Days prior to the Closing Date a statement setting out the Estimated Purchase Price and adjustments to be made for the Transaction.
- (b) The Receiver shall make available to the Purchaser all information reasonably necessary, including the Books and Records, for the Purchaser to understand and confirm the calculations in the Statement of Adjustments. Any comments from or changes requested by the Purchaser regarding the Statement of Adjustments will be settled by the Receiver and the Purchaser, each acting reasonably and in accordance with commercial practice in British Columbia.

3.7 Distribution

The Purchaser acknowledges and agrees that it will not object to any payment, distribution, allocation or credit made pursuant to an Order or Orders of the Court of all or any part of the Purchase Price. The provisions of this Section 3.7 shall not merge on, but shall survive, Closing.

3.8 Purchaser’s Financing

If the Purchaser is relying upon a new mortgage to finance the Estimated Purchase Price, the Purchaser, while still required to pay the Estimated Purchase Price on Closing, may wait to pay the Estimated Purchase Price to the Receiver until after the new mortgage documents have been submitted for registration in the Land Title Office, but only if, before such submission, the Purchaser has:

- (a) deposited with the Receiver or the Receiver’s Solicitors, in trust, that portion of the Estimated Purchase Price not secured by the new mortgage;
- (b) fulfilled all the new mortgagee’s conditions for funding except submitting the mortgage for registration; and
- (c) made available to the Receiver, a lawyer’s undertaking to pay the Estimated Purchase Price upon the submission for registration of the new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

ARTICLE 4
STALKING HORSE PROCEDURES

4.1 Sale Procedure Order; Reverse Vesting Order

- (a) The Receiver and the Purchaser acknowledge that (i) this Agreement is subject to Court approval, and (ii) Closing the Transaction is subject to this Agreement being determined by the Receiver to be the Successful Bid, and to the issuance of the Reverse Vesting Order;
- (b) On or before October 11, 2024, the Receiver shall file and serve the Sale Procedure Application on notice to parties reasonably satisfactory to the Purchaser;
- (c) The Receiver shall use its commercially reasonable efforts to obtain the Sale Procedure Order on or before October 18, 2024;
- (d) If one or more Qualified Bids (other than this Agreement) are received pursuant to the Sale Procedure, the Receiver shall pursue such bid(s) in accordance with the Sale Procedure, provided that nothing in this Section 4.1(d) will prevent this Agreement from constituting the Backup Bid in accordance with the Sale Procedure;
- (e) If this Agreement is determined to be the Successful Bid pursuant to the Sale Procedure, the Receiver shall use its commercially reasonable efforts to promptly thereafter file and serve the Vesting Order Application, on notice to all parties the Receiver determines are entitled to notice of the relief sought in the Vesting Order Application and any additional parties which the Purchaser reasonably requests; and
- (f) The Purchaser shall provide all information, if any, and take such actions as may be reasonably requested by the Receiver to assist the Receiver in obtaining the Sale Procedure Order, and if the Purchaser is the Successful Bidder, the Reverse Vesting Order, and any other Order of the Court reasonably necessary to consummate the Transaction.

ARTICLE 5
CONDITIONS PRECEDENT

5.1 Mutual Conditions

The obligation of each of the Parties to complete the Transaction is conditional upon the following conditions (the “**Mutual Conditions**”) being satisfied:

- (a) the Receiver will have determined in accordance with the Sale Procedure that this Agreement is the Successful Bid;
- (b) on or before October 4, 2024, the Parties will have settled and attached all schedules listed in Section 1.2 of this Agreement (subject to any revisions to such schedules as are necessary for them to be accurate as of the Closing Date);

- (c) on or before the Closing Date, the Sale Procedure Order and the Reverse Vesting Order shall have been granted by the Court and such Reverse Vesting Order and any such Orders related to this Transaction will be the Final Orders (the “**Court Approval Condition**”); and
- (d) as at the Closing Date, there will be no Applicable Law or Order in effect that restrains or prohibits the consummation of the Transaction or the Closing.

5.2 Receiver’s Conditions

The Receiver’s obligation to complete the Transaction is conditional upon the following conditions (the “**Receiver’s Conditions**”) being satisfied:

- (a) as at the Closing Date, each representation and warranty of the Purchaser contained in Section 6.3 will be true and correct: (i) as if restated on and as of the Closing Date; or (ii) as if made as of a date specified therein, as of such date;
- (b) on or before the Closing Date, the covenants, obligations, and agreements contained in this Agreement will have been complied with by the Purchaser and not have been breached in any material respect as determined in the sole discretion of the Receiver; and
- (c) as at the Closing Date, the Purchaser will have delivered to the Receiver all items it is required to deliver pursuant to Section 7.2.

5.3 Purchaser’s Conditions

The Purchaser’s obligation to complete the Transaction is conditional upon the following conditions (the “**Purchaser’s Conditions**”) being satisfied:

- (a) as at the Closing Date, each representation and warranty of the Receiver contained in Section 6.1 will be true and correct: (i) as if restated on and as of the Closing Date; or (ii) as if made as of a date specified therein, as of such date.;
- (b) on or before the Closing Date, the covenants, obligations, and agreements contained in this Agreement will have been complied with by the Receiver and not have been breached in any material respect;
- (c) as at the Closing Date, the Receiver will have delivered to the Purchaser all items it is required to deliver pursuant to Section 7.1.

5.4 Satisfaction of Conditions

The Parties agree to proceed in good faith and to cooperate with each other, with promptness and reasonable diligence to attempt to satisfy the Conditions Precedent that are within their respective control, acting reasonably. Neither Party shall be entitled to rely on its own non-performance or non-compliance of any of the Conditions Precedent as a reason not to complete the Transaction.

5.5 Waiver of Conditions

- (a) The Mutual Conditions are for the mutual benefit of the Parties and may be waived only with the written agreement of both of the Parties. If any of the Mutual

Conditions have not been complied with or waived in the manner described above on or before the Closing Date, either Party may terminate this Agreement by written notice to the other Party in accordance with Section 12.13.

- (b) The Receiver's Conditions are for the exclusive benefit of the Receiver and may be waived by the Receiver in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Receiver may have. If any of the Receiver's Conditions have not been complied with or waived by the Receiver on or before the Closing Date, the Receiver may terminate this Agreement by written notice to the Purchaser in accordance with Section 12.13.
- (c) The Purchaser's Conditions are for the exclusive benefit of the Purchaser and may be waived by the Purchaser in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. If any of the Purchaser's Conditions have not been complied with or waived by the Purchaser on or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Receiver in accordance with Section 12.13.

5.6 Extension of Closing Date

- (a) The Receiver and the Purchaser may, exercisable by written notice to the other Party in accordance with Section 12.13 and without the necessity of a further Order from the Court, unilaterally elect on a one-time basis to extend the Closing Date for up to 10 Business Days by delivering to the other Party notice to this effect no less than two Business Days before the then scheduled Closing Date. In each such an event, the Closing Date will be so extended and this Agreement will continue in full force and effect until such extended Closing Date has passed.
- (b) Upon either Party exercising its extension right, the Receiver will cause the Receiver's Solicitors to promptly update and revise the Statement of Adjustments to reflect the updated Adjustments for the extended Closing Date and, notwithstanding Section 3.6(a), to deliver the revised Statement of Adjustments to the Purchaser at least two Business Days prior to the extended Closing Date.
- (c) Should any extension of the Closing Date pursuant to Section 5.6 result in the Closing Date extending beyond the Outside Date, the Outside Date shall be deemed to be extended to the same date as the Closing Date.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Receiver

The Receiver hereby represents and warrants to the Purchaser that the Receiver:

- (a) has been appointed as the receiver and manager of the Receivership Property pursuant to the Receivership Order, and subject to the Court Approval Conditions and the issuance of the Sale Procedure Order, has the power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;

- (b) the Receivership Order is in full force and effect as of the date hereof;
- (c) is not and will not be at the Closing a non-resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada); and
- (d) has not taken any steps to sell or encumber the Property (other than entering into this Agreement with the Purchaser) except as previously approved by the Court.

6.2 No Other Representations and Warranties of the Receiver

Except for the representations and warranties of the Receiver contained in Section 6.1, neither the Receiver nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of the Receiver, including any representation or warranty as to the accuracy or completeness of any information regarding the Property furnished or made available to the Purchaser and its representatives or as to the future revenue, profitability or success of the Property, or any representation or warranty arising from statute or otherwise under Applicable Laws.

6.3 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to the Receiver that:

- (a) **Status.** The Purchaser is duly organized and subsisting under the laws of its jurisdiction of organization. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and all other agreements contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement;
- (b) **Authorization.** The execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Purchaser and the consummation of the Transaction contemplated by this Agreement by the Purchaser have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) **No Breach.** Neither the entering into nor the delivery of this Agreement nor the completion by the Purchaser of the Transaction contemplated hereby will conflict with, or constitute a default under, or result in a violation of: (i) any of the provisions of the constating documents or by-laws of the Purchaser; or (ii) any Applicable Laws;
- (d) **No Bankruptcy.** The Purchaser: (i) is not an insolvent person within the meaning of the BIA or the *Winding-up and Restructuring Act* (Canada); (ii) has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof; (iii) has not had any petition for a receiving Order and/or for the appointment of a receiver or receiver and manager over its property and/or business presented in respect of it; and (iv) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution;

- (e) **No Broker.** The Purchaser has not retained the services of any real estate broker or agent in connection with the Transaction;
- (f) **Residence.** The Purchaser is not a non-resident of Canada for the purposes of the *Investment Canada Act* (Canada);
- (g) **GST.** The Purchaser is registered for the purposes of Part IX of the ETA in accordance with the requirements of Subdivision D of Division V; and
- (h) **No Prohibition.** The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada) does not apply in respect of the Purchaser or the Transaction.

6.4 Representations and Warranties of the Purchaser

All of the representations and warranties set out in Sections 6.1 to 6.3 shall not merge on, but shall survive, Closing.

ARTICLE 7 CLOSING DOCUMENTS

7.1 Receiver's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Receiver shall deliver or cause to be delivered to the Purchaser's Solicitor the following:

- (a) a certified copy of the Reverse Vesting Order;
- (b) updated versions of the Schedules, accurate as of the Closing Date;
- (c) the Assignment and Assumption of Intangible Assets, executed on behalf of the Receiver;
- (d) a beneficial transfer conveying the beneficial interest in the Property to the Purchaser;
- (e) an instrument of transfer conveying the Shares to the Purchaser;
- (f) a termination of the Trust Declaration;
- (g) the Statement of Adjustments;
- (h) a certificate of the Receiver confirming that: (i) the representations and warranties set out in Section 6.1 are true and accurate in all material respects; and (ii) the Receiver has complied with all the covenants, obligations, and agreements contained in this Agreement and has not breached the same in any material respect;
- (i) a tax election and/or exemption certificates referred to in Section 3.3(b) duly executed as applicable by the Receiver; and
- (j) such other documents as may be reasonably required by the Reverse Vesting Order, or reasonably required by the Purchaser to complete the Transaction, in accordance with the terms of this Agreement.

All documentation shall be in form and substance acceptable to the Parties and their respective solicitors each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either the Party than those expressly set forth in this Agreement or in the Reverse Vesting Order.

7.2 Purchaser's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Purchaser shall deliver or cause to be delivered to the Receiver's Solicitors, the following:

- (a) the Assignment and Assumption of Intangible Assets, executed on behalf of the Purchaser;
- (b) a certificate of an officer of the Purchaser (in such capacity and without personal liability) confirming that: (i) the representations and warranties set out in Section 6.3 are true and accurate in all material respects; and (ii) the Purchaser has complied with all the covenants, obligations, and agreements contained in this Agreement and has not breached the same in any material respect;
- (c) any applicable tax election and/or exemption certificates referred to in Section 3.3(b) duly executed by the Purchaser;
- (d) any applicable certificate and indemnity regarding GST, as identified in Section 3.3(c);
- (e) a certificate stating that the Purchaser is registered for the purposes of Part IX of the ETA in accordance with the requirements of Subdivision D or Division V and setting out the Purchaser's GST registration number; and
- (f) such other documents as may be reasonably required by the Receiver to complete the Transaction in accordance with the terms of this Agreement.

All documentation shall be in form and substance acceptable to the Parties and their respective solicitors each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either Party than those expressly set forth in this Agreement or in the Reverse Vesting Order.

ARTICLE 8 OPERATION OF THE LANDS

8.1 Operation Before Closing

During the period between the date hereof and Closing, subject to the Receivership Order and any other Order made by the Court in the Receivership Proceedings, the Receiver shall:

- (a) use commercially reasonable efforts maintain in full force and effect the existing insurance coverage in respect of the Lands;
- (b) consult with the Purchaser regarding any commitment, agreement or contract, or modification of any material terms or termination of any Project Documents, Development Rights, Permitted Encumbrances, or any mortgage or charge relating to the Purchased

Assets or that would form an Encumbrance on the Purchased Assets, but for the avoidance of doubt, the Receiver shall not be bound to follow or agree to the requests of the Purchaser;

- (c) promptly notify the Purchaser if the Receiver becomes aware that, after the date of this Agreement, any of its representations or warranties in this Agreement become untrue or incorrect or if any covenants, terms or conditions in this Agreement are breached or cannot be performed; and
- (d) grant to the Purchaser and its authorized representatives the right to enter upon the Lands during business hours upon reasonable notice for the purposes of carrying out such inspections, examinations, tests and surveys, including soil tests, as the Purchaser may deem necessary, acting reasonably; provided that the Purchaser shall indemnify and save harmless the Receiver from any and all loss, cost or damage suffered or incurred as a result of the Purchaser exercising its rights pursuant to this clause.

8.2 Damage Before Closing

- (a) The Purchased Assets shall be at the risk of the Debtors until Closing.
- (b) If any loss, damage or expropriation occurs before Closing to any part of the Purchased Assets in respect of which the cost of restoration is more than 10% of the Estimated Purchase Price, all as determined by an arm's length, independent qualified expert engaged by the Receiver, within 15 Business Days after disclosure to the Purchaser by the Receiver of the loss or damage and the extent thereof, the Purchaser, at its option, shall by notice in writing to the Receiver (the "**Election Notice**") elect either:
 - (i) to complete the purchase of such Purchased Asset(s), in which event the insurance proceeds (if any) payable in respect of such damaged Purchased Asset(s) shall be assigned or paid to the Purchaser and the Purchase Price shall be reduced by an amount equal to any deficiency in insurance proceeds arising from any co-insurance relating to such insurance policy or for any other reason; provided, however, that if the cost of restoration and/or the quantum (if any) of insurance proceeds are not known at the Closing Date, the Purchaser shall pay the Estimated Purchase Price in full on Closing and the Receiver shall remit to the Purchaser the insurance proceeds (if any) and the amount of any deficiency in insurance proceeds (if any) as soon as reasonably practicable following receipt and determination of same; or
 - (ii) not to complete the purchase of the Purchased Asset(s), in which case this Agreement will terminate with immediate effect.
- (c) If the Purchaser fails to deliver the Election Notice, it will be deemed to elect to complete the purchase of the Purchased Assets in accordance with Section 8.2(b)(i).
- (d) If loss or damage to any Purchased Assets that does not trigger the rights set out in Section 8.2(b) occurs, the Purchaser shall have no right to terminate this Agreement, but shall be entitled to all proceeds of insurance in respect of such loss or damage and the Purchase Price shall be reduced by the value of any deductibles in respect of such loss or damage and an amount equal to any deficiency in

insurance proceeds arising from any co-insurance relating to such insurance policy or for any other reason, and the Parties shall complete the Transaction.

ARTICLE 9 RELEASE

9.1 Release

The Purchaser, on behalf of itself and any affiliates, partners, and shareholders, and the directors, officers, employees, agents, successors and assigns of any of the foregoing, hereby:

- (a) except to the extent a Claim or expense is caused by the gross negligence or wilful misconduct of a Released Person, remises, releases and forever discharges the Released Persons from any and all Claims and any and all expenses (whether or not relating to or resulting from a Claim) whenever occurring or caused which the Purchaser or any other Person now has or may have arising from or in any way relating to the condition of the Property, including Claims and expenses in respect of or in any way related to a Hazardous Substance or other environmental condition, existing or in effect prior to, as of, or after the Closing; and
- (b) except to the extent a Claim is caused by the gross negligence or wilful misconduct of a Released Person, covenants not to, directly or indirectly, make or assist in making or advancing any Claim against any of the Released Persons, or against any other Person who may have a right of contribution or indemnity against any of the Released Persons, including Claims in respect of or in any way related to a Hazardous Substance or other environmental condition, existing or in effect prior to, as of, or after the Closing, unless with respect to a Claim against any such other Person, the Purchaser indemnifies the Released Persons in full from and in respect of the Claim against such other Person.

This release will not merge on Closing but will survive in full force and effect thereafter.

ARTICLE 10 COVENANTS AND OTHER AGREEMENTS

10.1 Approval of the Court

The Purchaser acknowledges that this Agreement and the Transaction are subject to the approval of the Court.

10.2 Non-assignable Assets

If any of the Purchased Assets are not transferable without consent of a third party by the terms of the applicable instruments, the Receiver shall use commercially reasonable efforts to obtain such consent prior to the Closing Date and, if such consent is not obtained by the Closing Date, the Receiver shall use commercially reasonable efforts to obtain an Order in the Receivership Proceedings transferring or assigning, as applicable, such Purchased Assets to the Purchaser. Promptly upon request, the Purchaser shall provide such information and evidence that may be reasonably necessary for the purpose of obtaining such consent or Order, as applicable. The Purchaser shall, at the Purchaser's sole option, (a) pay any amount necessary to cure any monetary

defaults as a condition to the transfer or assignment of a Purchased Asset which, for greater certainty, may be an amount agreed to by the Purchaser and the third party or as ordered to be paid by the Court as a condition of such transfer or assignment; or (b) waive the transfer or assignment of such Purchased Asset, in which case the Receiver shall have no obligation to obtain the consent of the relevant third party or to cause the transfer or assignment of such Purchased Asset. For certainty, any failure to obtain the consent of any such third party or an Order as described above will not constitute a default of the Receiver nor will it entitle the Purchaser to terminate this Agreement.

10.3 Project Documents

The Receiver confirms that it has delivered or made available to the Purchaser copies of the Project Documents, to the extent the Project Documents are in the Receiver's possession. For additional clarity, the Receiver makes no representations or warranties as to the completeness or veracity of the Project Documents. If this Agreement becomes null and void, the Purchaser shall thereupon return or destroy all Project Documents and all other material in its possession without retaining any copies thereof.

10.4 Expense Reimbursement

If this Agreement is terminated pursuant to Section 11.1(b)(ii) or 11.1(b)(iii), the Purchaser will be entitled to payment of the Purchaser's Expenses by the Receiver. Within 10 days of such termination of this Agreement, the Purchaser will deliver a request for payment to the Receiver pursuant to Section 12.13 and enclose therein a complete accounting of the Purchaser's Expenses and the Receiver will pay the Purchaser the Purchaser's Expenses within 30 days of receiving the Purchaser's request for payment. For greater certainty, the Receiver's obligation to pay the Purchaser's Expenses pursuant to this Section 10.4 is expressly subject to the Court's approval and the granting of the Sale Procedure Order.

ARTICLE 11 TERMINATION

11.1 Termination of this Agreement

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written consent of the Parties;
- (b) automatically and without any action or notice by either the Receiver to the Purchaser or the Purchaser to the Receiver, immediately (i) if the Sale Procedure Order is not granted by the Court by the Outside Date, (ii) upon the selection by the Receiver of a Successful Bid if this Agreement is neither the Successful Bid nor the Backup Bid selected at such time, or (iii) upon the Closing of the Successful Bid(s) if this Agreement is the Backup Bid;
- (c) subject to Section 5.4, in accordance with Section 5.5;
- (d) by notice from the Receiver to the Purchaser or from the Purchaser to the Receiver, following the issuance of an Order or any other action by a Governmental Authority

to restrain, enjoin or otherwise prohibit the transfer of the Purchased Assets as contemplated hereby;

- (e) automatically and without any action by either the Receiver or the Purchaser if Closing has not occurred on or before the Outside Date;
- (f) by the Purchaser, if there has been a material violation or breach by the Receiver of any agreement, covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 6.1 and such violation or breach has not been waived by the Purchaser or cured by the Receiver within five Business Days of the Purchaser providing notice to the Receiver of such breach, unless the Purchaser is in material breach of its obligations under this Agreement;
- (g) by the Purchaser, upon written notice to the Receiver in accordance with Section 12.13.

In any case, Section 3.2 shall govern with respect to the Deposit.

ARTICLE 12 GENERAL

12.1 Obligations as Covenants

Each agreement and obligation of either of the Parties in this Agreement, even if not expressed as a covenant, is considered for all purposes to be a covenant.

12.2 Transaction Costs

Subject to Section 10.4, each Party shall bear its own fees and expenses in respect of the Transaction, including, without limiting the generality of the foregoing, the fees and expenses of their respective accountants and auditors in preparing or reviewing, as the case may be, the Statement of Adjustments.

12.3 Commission

The Commission shall be payable by the Receiver out of the Purchase Price and in accordance with the Reverse Vesting Order. Any fees or commissions owing to any broker or agent engaged by the Purchaser shall be payable by the Purchaser.

12.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

12.5 Time of the Essence

Time shall be of the essence of this Agreement.

12.6 Further Assurances

Each of the Parties shall from time-to-time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

12.7 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the Parties, constitute the entire agreement between the Parties pertaining to the Transaction provided for herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto. There are no other warranties or representations and no other agreements between the Parties in connection with the agreement of purchase and sale provided for herein, except as specifically set forth in this Agreement or the Schedules attached hereto. No supplement, modification or waiver or termination (except for terminations under Sections 11.1(b) and 11.1(e)) of this Agreement shall be binding unless executed in writing by the Parties in the same manner as the execution of this Agreement.

12.8 Waiver

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided in writing.

12.9 Solicitors and Agents and Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Receiver's Solicitors on behalf of the Receiver and any tender of Closing Documents and the Purchase Price may be made upon the Receiver's Solicitors and the Purchaser's Solicitors, as the case may be.

12.10 Merger

The provisions of this Agreement shall not merge with respect to any obligations of the Receiver or the Purchaser that are to be performed or fulfilled after Closing. Otherwise, except as expressly set out herein, this Agreement shall merge with the Closing of the Transaction contemplated herein.

12.11 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the Parties and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

12.12 Assignment

The Purchaser shall have the right to assign its interest hereunder to a related party of the Purchaser, provided the assignee agrees by an assignment and assumption agreement to be bound by the terms

of this Agreement. Any such assignment shall not however release the Purchaser of its obligations under this Agreement.

12.13 Notice

Any notice, demand, approval, consent, information, agreement, offer, request or other communication (a “**Notice**”) to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery during regular business hours on any Business Day or by email or other electronic communication which results in a written or printed notice being given, addressed or sent as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:

(a) Receiver:

KSV Restructuring Inc.
2300 - 220 Bay Street,
Toronto, ON M5J 2W4

Attn: Noah Goldstein
Email: ngoldstein@ksvadvisory.com

copy to:

Cassels Brock & Blackwell LLP
2200 – 885 West Georgia Street
Vancouver, BC V6C 3E8

Attn: Vicki Tickle
Email: vtickle@cassels.com

(b) Purchaser:

1496619 B.C. Ltd.
N210 – 5811 Cooney Road
Richmond, British Columbia V6X 3M1

Attn: Brian Tsang
Email: brian@enrichdevelopments.com

copy to:

Lawson Lundell LLP
Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia V6C 3L2

Attn: Will Roberts, Jack Yong and Tim Law
Email: wroberts@lawsonlundell.com, jyong@lawsonlundell.com and tlaw@lawsonlundell.com

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery, if sent by electronic mail on a Business Day, shall be deemed to have been validly and effectively given on the day it was sent, and if sent by electronic mail after 5:00 p.m. on a Business Day or on a day that is not a Business Day, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was sent.

12.14 Delivery in Escrow

All documents, monies and other items required to be delivered at the Closing shall be delivered at the Closing to the Receiver's Solicitors and the Purchaser's Solicitors and shall be placed in escrow and shall not be considered as delivered until such time as the Receiver's Solicitors and the Purchaser's Solicitors shall have indicated their agreement that all the terms and conditions to be observed or performed relating to Closing have been fulfilled. In the absence of an agreement between the Receiver's Solicitors and the Purchaser's Solicitors, anything delivered by a Party to this Agreement in connection with Closing shall be returned to such Party upon demand by such Party. The Purchaser will pay the Estimated Purchase Price to the Receiver's Solicitors in trust by wire-transfer to the trust account of the Receiver's Solicitors on the Closing Date and the monies so paid shall be held in the trust account of the Receiver's Solicitors until all Closing Documents are received and funds are confirmed as released from escrow. If the Transaction is not completed for any reason, the amount paid by the Purchaser to the Receiver's Solicitors in trust (other than the Deposits which are to be dealt with in accordance with Section 3.2 hereof) shall be returned to the Purchaser without condition other than the return of all Receiver's Closing Documents and deliveries, unused and unregistered.

12.15 Counterparts; Electronic Transmission

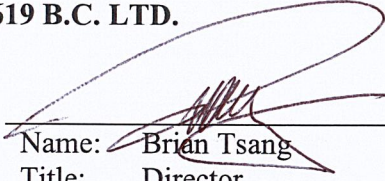
This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same instrument. The Parties agree that this Agreement may be transmitted by electronic transmission via email and that the reproduction of signatures by way of electronic transmission will be treated as though such reproduction were executed originals.

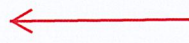
[Signature page follows]

IN WITNESS WHEREOF the Parties thereto have executed this Agreement under seal as evidenced by their properly authorized officers in that behalf as of the day and year first above written.

1496619 B.C. LTD.

Per:


Name: Brian Tsang
Title: Director



I have the authority to bind the corporation

KSV RESTRUCTURING INC., solely in its capacity as the Receiver and not in its personal or corporate capacity

Per:

Noah Goldstein
Name: Noah Goldstein
Title: Managing Director

I have the authority to bind the corporation

SCHEDULE "A"

Excluded Assets

Nil.

SCHEDULE "B"

Intellectual Property

Trademarks Canadian Intellectual Property Office			
Trademark	Registration #	Registration Date	Status
3000 Henry Street	Not Registered	Not Applicable	Not Registered / Common Law Passing Off

Webpage Uniform Resource Locator (URL)
https://3000henry.com/

SCHEDULE "C"

Permitted Encumbrances

1. the subsisting exceptions or reservations or other rights contained or reserved to the Crown in the original grant from the Crown;
2. the following legal notations:
 - 2.1. Notice of Interest, *Builders Lien Act* (s.3(2)), see CA6679918 filed 2018-03-15;
 - 2.2. Housing Agreement Notice, *Local Government Act*, s.483 see CB7700;
 - 2.3. This title may be affected by a permit under Part 14 of the *Local Government Act*, see CB846188, amended by CB882876; and
 - 2.4. This title may be affected by a permit under Part 14 of the *Local Government Act*, see CB920176;
3. the following charges, liens and interests:
 - 3.1. Covenant CB7701 in favour of the City of Port Moody; and
 - 3.2. Covenant CB920182 in favour of the City of Port Moody.

SCHEDULE "D"

Reverse Vesting Order

[See attached]

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND

**3000 HENRY STREET LIMITED PARTNERSHIP
and
0790857 B.C. LTD.**

RESPONDENTS

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF RECEIVERSHIP OF
3000 HENRY STREET LIMITED PARTNERSHIP
AND 0790857 B.C. LTD.**

ORDER MADE AFTER APPLICATION

APPROVAL AND REVERSE VESTING ORDER

BEFORE THE HONOURABLE
JUSTICE STEPHENS

)
)
)

[●], 2024

THE APPLICATION of KSV Restructuring Inc., in its capacity as Court-appointed Receiver and Manager (the “**Receiver**”) of the assets, undertakings and properties of 3000 Henry Street Limited Partnership (the “**LP**”) and 0790857 B.C. Ltd. (the “**Nominee**” and together with the LP, the “**Debtors**”) coming on for hearing at Vancouver, British Columbia on the [●] day of [●], 2024; AND ON HEARING from Vicki Tickle, counsel for the Receiver, and those other counsel listed on **Schedule “A”** hereto, and no one else appearing; AND UPON READING the material filed, including the Receiver’s [●] Report to the Court, dated [●], 2024 (the “**Report**”);

THIS COURT ORDERS AND DECLARES THAT:

DEFINITIONS

1. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the Agreement of Purchase and Sale dated September 20, 2024 (the “**Sale Agreement**”) between the Receiver and 1496619 B.C. Ltd. (the “**Purchaser**”), a copy of which is attached hereto as **Schedule “B”** hereto.
2. In this Order, the following terms shall bear the meaning given to them below:
 - (a) “**Claims**” means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing, all Encumbrances;
 - (b) “**Encumbrances**” means (i) any encumbrances or charges created by the Receivership Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on **Schedule “C”** hereto, but excluding the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”** hereto;
 - (c) “**Liability**” means any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed;
 - (d) “**Receivership Order**” means, collectively, the Receivership Order of the Honourable Justice Stephens granted in the within proceedings on July 29, 2024;
 - (e) “**Nominee’s Retained Assets**” means all right, title and interest of the Nominee, if any, in and to the Property, the Accounts Receivable, the Books and Records, and the Intellectual Property, and any other assets, property or obligations, which, pursuant to the terms and conditions of the Sale Agreement, remain the property of the Nominee after completion of the Transaction;
 - (f) “**Nominee’s Transferred Assets**” means the Nominee’s entitlement, if any, to the Purchase Price and the Excluded Assets (if any); and
 - (g) “**Nominee’s Transferred Liabilities**” means (i) all Liability of the Nominee arising prior to the Closing Date, including, but not limited to, Liability owed to lenders, service contractors, or third parties of any kind, including Liability under contracts, permits, or leases relating to the Lands; (ii) any Liability relating to or

arising out of the Nominee's Transferred Assets; (iii) any Liability of the Nominee for taxes resulting from the Transaction (for the avoidance of doubt this shall not include any GST or other taxes payable by the Purchaser in respect of the Transaction pursuant to the Sale Agreement); (iv) all employees, employment agreements, executive personnel agreements, officer or director agreements, employee wages, employee benefit plans or payments, pension obligations, employee tax withholding obligations, employee health or dental plan obligations, all employee complaints or claims, labour relations board actions or other employee proceedings and similar obligations of the Nominee (if any); (v) all Liability for payment of fees for operation of the Lands up to the Closing Date (if any); (vi) any proceedings, claims or actions commenced in any court initiated or threatened against the Nominee; (vii) the costs and expenses and Liability of the Nominee under the within proceedings; (viii) any Liability for a breach of or non-compliance with any applicable law by the Nominee; and (ix) the Liability of the Nominee under the Sale Agreement.

APPROVAL OF THE TRANSACTION

3. The sale transaction (the "**Transaction**") contemplated by the Sale Agreement is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction.

VESTING OF ASSETS AND LIABILITIES

4. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule "E"** hereto (the "**Receiver's Certificate**"), the following shall occur and be deemed to have occurred commencing at the time of delivery of the Receiver's Certificate (the "**Effective Time**") in the following sequence:
 - (a) The Receiver shall incorporate a new subsidiary ("**Residual Co**") of [●], which Residual Co shall be added as a Respondent in the within proceedings pursuant to paragraph 14 of this Order;
 - (b) All of the Nominee's right, title and interest in and to the Nominee's Transferred Assets shall be transferred to, and shall vest absolutely and exclusively, without recourse, in Residual Co;
 - (c) All Claims, Encumbrances, and Nominee's Transferred Liabilities in respect of the Nominee and the Nominee's right, title and interest in the Nominee's Retained Assets shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in Residual Co, and (i) such Claims and Encumbrances shall continue to attach to the Nominee's Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time, as if the Nominee's Transferred Assets had not been conveyed and had remained in the possession or control of the person having possession or control immediately

prior to the transfer; (ii) such Claims and Encumbrances equal to the fair market value of the Nominee's Transferred Assets shall be transferred to and assumed by Residual Co in consideration for the transfer of the Nominee's Transferred Assets; and (iii) the remaining Claims and Encumbrances, and all Nominee's Transferred Liabilities shall be transferred to and assumed by Residual Co for no consideration as part of, and to facilitate, the implementation of the Transaction;

- (d) All Claims, Encumbrances and Nominee's Transferred Liabilities in respect of the Nominee, the Shares, and the Nominee's Retained Assets shall be irrevocably and forever expunged, released and discharged as against the Purchaser, the Nominee and the Nominee's Retained Assets;
- (e) Without limiting subparagraph 4(d), any and all security registrations against the Nominee, the Shares, and the Nominee's Retained Assets shall be and are hereby forever released and discharged as against the Nominee, and all such security registrations shall attach to the Nominee's Transferred Assets vested in Residual Co and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Nominee's Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by Residual Co of such security registrations;
- (f) The Nominee shall cease to be a Respondent in the within proceedings and shall be deemed released from the purview of all Orders of this Court granted in respect of the within proceedings, save and except for this Order; and
- (g) All of the LP's legal and/or beneficial right, title and interest in and to:
 - (i) the Shares;
 - (ii) the Property;
 - (iii) the Accounts Receivable;
 - (iv) the Books and Records; and
 - (v) the Intellectual Property,

shall vest absolutely in the Purchaser, free and clear of all Claims and Encumbrances.

5. Upon presentation for registration in the Land Title Office for the Land Title District of New Westminster of a certified copy of this Order, together with a letter from Cassels Brock & Blackwell LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances, except for those

listed in Schedule "C". For additional clarity, the British Columbia Registrar of Land Titles is hereby directed to discharge all of the registered Encumbrances listed in Schedule "B".

6. The Receiver and Residual Co are hereby permitted to execute and file articles of incorporation, bylaws, and such other documents or instruments as may be required to permit or enable and effect the incorporation of Residual Co and the Transaction, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the incorporation of Residual Co.
7. This Order shall constitute the only authorization required by the Receiver, or Residual Co to proceed with the Transaction, including, without limitation, the incorporation of Residual Co and, except as specifically provided in the Sale Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority exercising jurisdiction in respect of the Nominee is required for the due execution, delivery and performance by the Receiver, the Nominee, and by Residual Co of the Sale Agreement and the completion of the Transaction.
8. As of the Effective Time:
 - (a) the Nominee shall continue to hold all legal right, title and interest in and to the Nominee's Retained Assets, free and clear of all Claims and Encumbrances and the Nominee's Transferred Liabilities;
 - (b) the Nominee shall be deemed to have disposed of the Nominee's Transferred Assets and shall have no right, title or interest in or to the Nominee's Transferred Assets.
9. For greater certainty, any person that, prior to the Effective Time, had a Claim or Encumbrance against the Nominee or its assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Nominee or the Nominee's Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, against the Nominee's Transferred Assets to be administered by the Receiver in Residual Co from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to Residual Co, and nothing in this Order limits, lessens, modifies (other than by change in Debtor) or extinguishes the Claim or Encumbrance of any Person as against the Nominee's Transferred Assets to be administered by the Receiver in Residual Co.
10. From and after the Effective Time, the Purchaser and/or the Nominee shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Nominee and the Nominee's Retained Assets of the Claims, Encumbrances and Nominee's Transferred Liabilities that are transferred to and vested in Residual Co pursuant to this Order.

11. Upon the delivery of the Receiver's Certificate, and upon filing of a certified copy of this Order together with any applicable registration fees, all Governmental Authorities exercising jurisdiction with respect to the Nominee, the Nominee's Retained Assets, or the Nominee's Transferred Assets are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and conveyances as may be required to give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Claims and Encumbrances and Nominee's Transferred Liabilities against or in respect of the Nominee and the Nominee's Retained Assets, and presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RELEASES

12. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Receiver, its directors, officers, employees, counsel, advisors and representatives, the Purchaser, the Nominee, or the Nominee's Retained Assets, in any way relating to, arising from or in respect of:
- (a) the Nominee's Transferred Assets;
 - (b) any and all Claims or Encumbrances and the Nominee's Transferred Liabilities against or relating to the Nominee, the Nominee's Transferred Assets or the Nominee's Retained Assets existing immediately prior to the Effective Time;
 - (c) the insolvency of the Nominee prior to the Effective Time;
 - (d) the commencement or existence of these receivership proceedings; or
 - (e) the completion of the Transaction.
13. From and after the Effective Time, the current and former directors, officers, employees, legal counsel and advisors of Residual Co shall be deemed to be forever irrevocably released and discharged from all present and future claims, liabilities, indebtedness, demands, actions or obligations of any kind, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time or undertaken or completed in connection with or pursuant to the terms of this Order in respect of, relating to, or arising out of (i) the Debtors or their business, operations, assets, property and affairs, or (ii) the Transaction.

RESIDUAL CO

14. At the Effective Time, Residual Co shall be substituted as a Respondent in these proceedings in place of the Nominee and the style of cause for these proceedings shall be changed by deleting the Nominee as a Respondent and replacing it with Residual Co as Respondent.

15. The administration of Residual Co shall remain subject to the Court's oversight and these proceedings, and the Receiver is hereby authorized and empowered, but not obligated, to assign Residual Co into bankruptcy.
16. In addition to and without limiting the rights and protections afforded to the Receiver pursuant to the Receivership Order, the Receiver and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering Residual Co, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Receiver pursuant to the Receivership Order, any further order granted in these proceedings or the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "BIA") shall continue to apply.

MISCELLANEOUS

17. The Receiver is directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof to the Purchaser.
18. Notwithstanding:
 - (a) these proceedings;
 - (b) any application for a bankruptcy order or a receivership order in respect of the LP, the Nominee or Residual Co now or hereafter made pursuant to the BIA or otherwise and any bankruptcy or receivership order issued pursuant to any such application; or
 - (c) any assignment in bankruptcy made by the LP, the Nominee or Residual Co,

the execution of the Sale Agreement and the implementation of the Transaction shall be binding on any trustee or other administrator in respect of Residual Co and any trustee in bankruptcy or receiver that may be appointed in respect of the Nominee or the LP, and shall not be void or voidable by creditors of Residual Co, the Nominee or the LP, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
19. The Receiver and the Purchaser shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transaction.
20. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Sale Agreement and all amendments thereto, in connection with any dispute involving the Nominee, the LP or Residual Co, and

to adjudicate, if necessary, any disputes concerning the Nominee, the LP or Residual Co related in any way to the Transaction.

21. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
22. Endorsement of this Order by counsel appearing on this application, other than counsel for the Receiver, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Vicki Tickle
Lawyer for the Receiver, KSV Restructuring Inc.

BY THE COURT

REGISTRAR

Schedule "A"**List of Counsel**

Counsel name/litigant	Party represented
[●]	Kingsett Mortgage Corporation
[●]	[●]

Schedule “B”

Sale Agreement

(see attached)

Schedule "C"

Claims to be Deleted/Expunged from Title to the Lands

Nature of Charge	Registration No.
Mortgage Kingsett Mortgage Corporation	CA9486292
Assignment of Rents Kingsett Mortgage Corporation	CA9486293
Priority Agreement	CB7702, CB920182
Claim of Builders Lien Glotman Simpson Consulting Engineers	WX2192259

Schedule "D"
**Permitted Encumbrances, Easements and
 Restrictive Covenants related to the Lands**

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown of any of the Lands and the statutory exceptions to title currently applicable to the Lands;
2. A claim of right, title or jurisdiction which may be made or established by any aboriginal peoples by virtue of their status as aboriginal peoples on or over any Lands;
3. Liens for taxes, assessments, rates, duties, charges or levies not at the time due, which related to obligations or liabilities assumed by the Purchaser;
4. The following legal notations:
 - (a) NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA6679918 FILED 2018-03-15
 - (b) HOUSING AGREEMENT NOTICE, LOCAL GOVERNMENT ACT, S. 483 SEE CB7700
 - (c) THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CB846188 AMENDED BY CB882876
 - (d) THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CB920176
5. And the following:

Nature of Charge	Registration No.
Covenant City of Port Moody	CB7701
Covenant City of Port Moody	CB920181

Schedule “E”

Form of Receiver’s Certificate

No. S-244083
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND

3000 HENRY STREET LIMITED PARTNERSHIP
and
0790857 B.C. LTD.

RESPONDENTS

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Supreme Court of British Columbia (the “**Court**”) dated July 29, 2024 (the “**Receivership Order**”), KSV Restructuring Inc. was appointed as receiver (in such capacity, the “**Receiver**”) without security, of all the assets, undertakings and property (the “**Property**”) of 3000 Henry Street Limited Partnership and 0790857 B.C. Ltd. (together, the “**Debtors**”).

B. Pursuant to an Order of the Court dated [●], 2024, the Court approved the Agreement of Purchase and Sale dated September 20, 2024 (the “**Sale Agreement**”) between the Receiver and 1496619 B.C. Ltd. (the “**Purchaser**”), and the transactions contemplated thereby, and providing for the occurrence of certain events in the specified sequence upon delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by the Purchaser of the Estimated Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and/or the Purchaser (as applicable); and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Reverse Vesting Order or the Sale Agreement, as applicable.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Estimated Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and/or the Purchaser (as applicable); and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at Vancouver, B.C. this ____ day of _____, 2024.

KSV Restructuring Inc.
in its capacity as Receiver of the
assets, undertakings and property of the Debtors
and not in its personal or corporate capacity

Per: _____

SCHEDULE “E”

Sale Procedure

Introduction

1. On July 29, 2024, the Supreme Court of British Columbia (the “**Court**”) pronounced an Order (the “**Receivership Order**”), appointing KSV Restructuring Inc. as receiver and manager (in such capacity, the “**Receiver**”) pursuant to subsection 243(1) of the BIA and section 39 of the *Law and Equity Act* (British Columbia) without security, of all the assets, undertakings and property (the “**Receivership Property**”) of 0790857 B.C. Ltd. and 3000 Henry Street Limited Partnership (together, the “**Debtors**”).
2. The Property of the Debtors includes lands and premises in Port Moody, British Columbia legally described as PID: 002-083-931, Lot 17 District Lot 190 Group 1 New Westminster District Plan 11618, PID: 002-083-957, Lot 18 District Lot 190 Group 1 New Westminster District Plan 11618, PID: 002-422-875, Lot 19 District Lot 190 Group 1 New Westminster District Plan 11618, PID: 002-422-891, Lot 20 District Lot 190 Group 1 New Westminster District Plan 11618 (collectively, the “**Lands**”) and the Debtor’s development project documents and development rights in connection with the Lands.
3. On or about October 2024, the Court granted an Order (the “**Sale Procedure Order**”) approving the sale solicitation procedures set forth herein (the “**SSP Procedures**”) together with an agreement of purchase and sale between 1496619 B.C. Ltd. (the “**Purchaser**”) and the Receiver, dated September 20, 2024 (the “**APS**”), defining the terms of a bid by the Purchaser to purchase the Purchased Assets (as defined in the APS), for the Purchase Price (as defined below) (the “**Stalking Horse Bid**”), subject to certain conditions, adjustments, and other terms defined therein. The Sale Procedure Order and these SSP Procedures shall exclusively govern the process (the “**Sale Procedure**”) for soliciting and selecting bids for the sale of all or substantially all of the Property of the Debtors.
4. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the APS.

Agreement of Purchase and Sale

5. The APS has been approved as the stalking horse bid pursuant to the Sale Procedure Order.

SSP Procedures

6. These SSP Procedures describe, among other things, the Receivership Property available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Receivership Property, the manner in which bidders and bids become Qualified Bidders (as defined below) and Qualified Bids (as defined below), respectively, the receipt and negotiation of bids received, the ultimate selection of one or more Successful Bids (as defined below), and the approval thereof by the Court.

7. The Receiver shall administer the SSP Procedures and may (but shall not be required to) engage a sales agent or broker of its choosing (if applicable, the “**Sales Agent**”). In the event that there is disagreement as to the interpretation or application of this SSP Procedure, the Court will have jurisdiction to hear and resolve such dispute.
8. The Receiver will use reasonable efforts to complete the SSP Procedures in accordance with the timelines set out herein. The Receiver shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

Opportunity

9. The SSP Procedures are intended to solicit interest in, and opportunities for, a sale of the Lands and the Receivership Property (the “**Sale**”).
10. The Receiver has entered into the APS which constitutes a Qualified Bid for all purposes and at all times under the SSP Procedures. The purchase price for the Purchased Assets under the APS, exclusive of all applicable transfer taxes, is a bid in the amount equal to the Estimated Purchase Price (as defined in the APS) and any other amounts pursuant to the closing documents required in the APS (the “**Purchase Price**”).
11. Notwithstanding the APS, all interested parties are encouraged to submit Qualified Bids.

Sale Procedure Timeline

12. This Sale Procedure shall be conducted subject to the terms hereof and the following key milestones:
 - a. The Receiver to commence the solicitation process – as soon as practicable following the granting of the Sale Procedure Order;
 - b. The deadline to submit a letter of intent (“**LOI**”) – 5:00 p.m. Pacific Time on the date that is thirty (30) calendar days following the granting of the Sale Procedure Order (the “**LOI Deadline**”);
 - c. The deadline to submit a Qualified Bid – 5:00 p.m. Pacific Time on the date that is forty-five (45) calendar days following the granting of the Sale Procedure Order (the “**Qualified Bid Deadline**”);
 - d. The Receiver will determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. Pacific Time on the date that is forty-eight (48) calendar days following the granting of the Sale Procedure Order;
 - e. The Receiver to hold an Auction (if applicable) – within three (3) Business Days of the Receiver determining that the Auction will take place;
 - f. Hearing of application for approval of transaction – by no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid; and
 - g. Closing of the Successful Bid – three Business Days following: (i) expiry of applicable appeal periods in respect of the order approving the transaction, or (ii) in the event of an appeal or application for leave to appeal, final determination of such appeal or application).

As Is, Where Is

13. The sale of the Receivership Property will be on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or any of its agents, except to the extent set forth in the relevant final sale agreement with a Successful Bidder.

Free of Any and All Claims and Interest

14. In the event of a Sale, all of the right, title and interest of the Debtors in and to the Receivership Property sold or transferred will, at the time of such sale or transfer, be sold or transferred free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the “**Claims and Interests**”) pursuant to one or more reverse vesting orders made by the Court. Contemporaneously with such reverse vesting orders being made, all such Claims and Interests shall attach to the net proceeds of the sale of such property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder.

Solicitation of Interest

15. As soon as reasonably practicable following the granting of the Sale Procedure Order and, in any event, by no later than two calendar days after commencement of the Sale Procedure, the Receiver will:
- a. cause a notice of the Sale Procedure contemplated by these SSP Procedures, and such other relevant information which the Receiver considers appropriate, to be published in applicable industry publications, websites and/or forums; and
 - b. in consultation with the Sales Agent, prepare a summary describing the opportunity, outlining the SSP Procedures and inviting recipients to express their interest in making a Qualified Bid (a “**Teaser Letter**”) for distribution to potential bidders

Participation Requirements and Due Diligence

16. In order to participate in the Sale Procedure, an interested party must deliver to the Receiver:
- a. no later than 5:00 p.m. Pacific Time on the date that is thirty (30) calendar days following the granting of the Sale Procedure Order;
 - b. at the address specified herein (including by email); and
 - c. prior to the distribution of any confidential information by the Receiver and/or the Sales Agent to such interested party (including access to the confidential virtual data room (the “**VDR**”)),

a letter of intent and an executed non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”), which shall inure to the benefit of any Successful Bidder (as defined below) that closes a transaction contemplated by a Successful Bid (as defined below).

17. A potential bidder that has executed an NDA, as described above, and who the Receiver, in its sole discretion, determines has a reasonable prospect of completing a Sale contemplated herein, will be deemed a “**Qualified Bidder**” and will be promptly notified of such classification by the Receiver.
18. The Receiver shall provide any person deemed to be a Qualified Bidder with access to the VDR and the Receiver shall provide to Qualified Bidders further access to such reasonably required due diligence materials and information relating to the Receivership Property as the Receiver deems appropriate. The Receiver makes no representation or warranty as to the information to be provided through the due diligence process or otherwise, regardless of whether such information is provided in written, oral or any other form, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Receiver and approved by the Court.
19. Upon the reasonable request of a Qualified Bidder, on-site inspections of the Receivership Property may be arranged by the Receiver in its sole discretion. Only one site visit will be organized for each Qualified Bidder.

Submission of Qualified Bids

20. A Qualified Bidder that desires to make a bid for the Receivership Property must deliver either:
 - a. a final, written, binding offer (each, a “**Final Bid**”) in the form of a fully executed purchase and sale agreement substantially in the form of the template agreement of purchase and sale located in the VDR (the “**Template APS**”); or
 - b. a signed letter confirming that the Qualified Bidder wishes to assume and perform the obligations of the Purchaser under the APS, subject to the necessary adjustment to the Purchase Price to provide cash consideration and to include the Purchaser’s Expenses (as defined in the APS), and detailing any adjustments, revisions or other terms that the Qualified Bidder proposes be included in the APS (a “**Confirmation of Assumption**”),

in each case to the Receiver at the address specified herein (including by email transmission) so as to be received by the Receiver not later than 5:00 p.m. Pacific Time on the date that is forty-five (45) calendar days following the granting of the Sale Procedure Order, or such later date as may be agreed by the Receiver and communicated in writing to all Qualified Bidders (the “**Final Bid Deadline**”).

Requirements for Qualified Bid

21. A Final Bid will only be considered a Qualified Bid if it is submitted by a Qualified Bidder and complies with the following conditions (each, a “**Qualified Bid**”):

- a. it has been received by the Final Bid Deadline;
- b. it provides for the payment in full and in cash of at least the Purchase Price plus the Purchaser's Expenses (both, as defined in the APS);
- c. it contains:
 - i. a duly executed purchase and sale agreement substantially in the form of the Template APS and a blackline of the executed purchase and sale agreement to the Template APS; or
 - ii. a Confirmation of Assumption compliant with the requirements above;
- d. it includes a letter stating that the Final Bid is irrevocable until there is a Successful Bid (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, its Final Bid shall remain an irrevocable offer until the earlier of (i) the completion of the sale to the Successful Bidder and (ii) the Outside Date (as defined below);
- e. it provides written evidence, satisfactory to the Receiver, of (a) a firm, irrevocable financial commitment for all required funding or financing or (b) evidence of the Qualified Bidder's financial wherewithal to close the bid using unencumbered funds on hand;
- f. it does not include any request for or entitlement to any expense reimbursement or similar type of payment;
- g. it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to a bank account specified by the Receiver, or such other form of payment acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount \$250,000.00 to be held and dealt with in accordance with these SSP Procedures;
- h. it is not conditional upon:
 - i. the outcome of unperformed due diligence by the Qualified Bidder; and/or
 - ii. obtaining financing;
- i. it includes an acknowledgement and representation that the Qualified Bidder:
 - i. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Qualified Bid;

- ii. did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Receiver, or any of its advisors, except as expressly stated in the purchase and sale agreement submitted by it;
 - iii. is a sophisticated party capable of making its own assessments in respect of making its Qualified Bid; and
 - iv. has had the benefit of independent legal advice in connection with its Qualified Bid; and
- j. it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body), if applicable.
22. The Purchaser shall be deemed to be a Qualified Bidder, and the APS shall be deemed to be a Qualified Bid, for all purposes of these SSP Procedures, including for purposes of the Auction (if applicable).
23. The Receiver may, in its reasonable discretion, waive compliance with any one or more of the Qualified Bid requirements specified herein, and deem such non-compliant bid to be a Qualified Bid in accordance with these SSP Procedures.

No Qualified Bids Received

24. If the Receiver does not receive any Qualified Bids before the Final Bid Deadline, then the APS will be automatically approved and accepted by the Receiver and the Receiver shall take steps to perform Sections 26.a, 26.c and 26.d below.

Assessment of Qualified Bids

25. If the Receiver receives Qualified Bids before the Final Bid Deadline, it will assess the Qualified Bids received to determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be consummated. Such assessments will be made as promptly as practicable but no later than 5:00 p.m. Pacific Time on the date that is forty-eight (48) calendar days following the granting of the Sale Procedure Order.
26. If the Receiver determines that no Qualified Bids other than the APS were received, or at least one additional Qualified Bid was received but it is not likely that the transactions contemplated in any such Qualified Bids will be consummated, the Receiver shall:
- a. forthwith terminate these SSP Procedures;
 - b. notify each Qualified Bidder (if any) that these SSP Procedures have been terminated;

- c. notify the Purchaser that it is the Successful Bidder, and
 - d. as soon as reasonable practicable after such termination, file an application with the Court seeking approval, after notice and hearing, to implement the APS.
27. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s) (the “**Auction**”). The successful bid(s) selected within the Auction shall constitute the “Successful Bid”. Forthwith upon determining to proceed with an Auction, the Receiver shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Purchaser) in accordance with the terms herein, along with copies of Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading bid.

Auction

28. If an Auction is to be held, the Receiver will conduct the Auction commencing at 10:00 a.m. Pacific Time within three (3) Business Days of the Receiver determining that the Auction will take place (the “**Auction Date**”), at the offices of the Receiver’s legal counsel, Cassels Brock & Blackwell LLP, 885 West Georgia Street, #2200, Vancouver, British Columbia, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, subject to such adjournments as the Receiver may consider appropriate.
29. The Auction shall run in accordance with the following procedures:
- a. prior to 4:00 p.m. Pacific Time on the day before the Auction Date, each Qualified Bidder that has made a Qualified Bid and the Purchaser, must inform the Receiver whether it intends to participate in the Auction (the parties who so inform the Receiver that they intend to participate are hereinafter referred to as the “**Auction Bidders**”);
 - b. the identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder participating in the Auction;
 - c. only representatives of the Auction Bidders, the Receiver, the Sales Agent and such other persons as permitted by the Receiver (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Receiver shall have the discretion to allow such persons to attend by video- or tele-conference);
 - d. the Receiver may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances, for conducting the Auction, including with respect to the ability of multiple Auction Bidders to combine to present a single bid, provided that such rules are (i) not inconsistent with these SSP Procedures, general practice in insolvency proceedings, or the Receivership Order and (ii) disclosed to each Auction Bidder at the Auction;
 - e. all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;

- f. the Receiver shall arrange to have a court reporter attend at the Auction;
- g. each Auction Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with any other person, without the express written consent of the Receiver, regarding the Sale Procedure, that has not been disclosed to all other Auction Bidders;
- h. prior to the Auction, the Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the “**Starting Bid**”) to the Purchaser and to all Qualified Bidders that have made a Qualified Bid;
- i. bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a “**Subsequent Bid**”) that the Receiver determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the then current highest and best bid (the “**Leading Bid**”), in each case by at least \$100,000, or such amount as may be determined by the Receiver prior to, and announced at, the Auction;
- j. the Purchaser shall be permitted, in its sole discretion, to submit Subsequent Bids, which Subsequent Bids may be comprised of increased credit bids up to the full amount of the secured indebtedness owing by the applicable Debtor to the Purchaser, provided, however, that such Subsequent Bids are made in accordance with these SSP Procedures;
- k. to the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting a Subsequent Bid must submit, at the Receiver’s discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit quality support information or enhancement reasonably acceptable to the Receiver), demonstrating such Auction Bidder’s ability to close the transaction proposed by the Subsequent Bid;
- l. only the Auction Bidders will be entitled to make a Subsequent Bid at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder’s Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder, if it is selected as the Successful Bid (as defined below);
- m. all Auction Bidders shall have the right to, at any time, request that the Receiver announce the then-current Leading Bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any and all questions such Auction Bidder may have regarding the Leading Bid;

- n. the Receiver reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things (i) facilitate discussions between the Receiver and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Receiver with such additional evidence as the Receiver, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources to consummate the proposed transaction at the prevailing overbid amount;
 - o. if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed; and
 - p. no bids shall be considered after the conclusion of the Auction.
30. At the end of the Auction, the Receiver shall select the successful bid (the “**Successful Bid**”, with such bidder being the “**Successful Bidder**”). Upon selection of a Successful Bidder, the Successful Bidder shall deliver as soon as practicable an executed transaction document, which reflects its bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the application material for the hearing to consider the Approval Application (as defined below).
31. If an Auction is conducted, the Auction Bidder and/or Qualified Bidder with the next highest or otherwise best Qualified Bid at the Auction or, if such Qualified Bidder did not participate in the Auction, submitted in this Sale Procedure, as determined by the Receiver, will be designated as the backup bidder (the “**Backup Bidder**”). The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder’s final overbid) (the “**Backup Bid**”) open until the earlier of (a) two business days after the date of closing of the Successful Bid; and (b) September 30, 2025 (the “**Outside Date**”).
32. The Receiver shall have selected the final Successful Bid(s) and the Backup Bid(s) as soon as reasonably practicable after the Auction Date and the definitive documentation in respect of the Successful Bid must be finalized and executed no later than ten (10) Business Days prior to the Auction Closing Date (as defined below), which definitive documentation shall be conditional only upon the receipt of the Approval Order and the express conditions set out therein and shall provide that the Successful Bidder shall use all reasonable efforts to close the proposed transaction by no later than three (3) Business Days following:
- a. expiry of applicable appeal periods in respect of the order approving the transaction; or
 - b. in the event of an appeal or application for leave to appeal, final determination of such appeal or application; or
 - c. such longer period as shall be agreed to by the Receiver in writing

(the “**Auction Closing Date**”)

In any event, the Successful Bid must be closed by no later than the Outside Date, or such other date as may be agreed to by the Receiver in writing.

Approval or Successful Bid

33. The Receiver shall apply to the Court (the “**Approval Application**”) for an order approving the Successful Bid and the Backup Bid (as applicable) and vesting title to any purchased Receivership Property in the name of the Successful Bidder or the Backup Bidder (as applicable) (the “**Approval Order**”). The Approval Application will be held on a date to be scheduled by the Receiver and confirmed by the Court. Subject to Court availability, the Receiver shall use best efforts to schedule the Approval Application no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid. The Approval Application may be adjourned or rescheduled by the Receiver on notice to the service list prior to the Approval Application. The Receiver shall consult with the Successful Bidder and the Backup Bidder regarding the application material to be filed by the Receiver for the Approval Application, which material shall be acceptable to the Successful Bidder, acting reasonably.
34. If, following approval of the Successful Bid by the Court, the Successful Bidder fails to consummate the transaction for any reason, then such Successful Bidder will forfeit its Deposit and the Backup Bid, if there is one, will be deemed to be the Successful Bid hereunder and the Receiver shall effectuate a transaction with the Backup Bidder subject to the terms of the Backup Bid, without further order of the Court.
35. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the Auction Closing Date of the Successful Bid.

Deposits

36. All Deposits shall be retained by the Receiver in a bank account specified by the Receiver. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposit paid by the Backup Bidder shall be retained by the Receiver until two business days after the Auction Closing Date of the Successful Bid or the Outside Date, whichever is later, or, if the Backup Bid becomes the Successful Bid, shall be released by the Receiver and applied to the purchase price to be paid upon closing of the Backup Bid.
37. All Deposits of all Qualified Bidders not selected as the Successful Bidder or Backup Bidder shall be returned to such bidders within five business days of the date upon which the Successful Bid and any Backup Bid is approved by the Court. If the Auction does not take place or these SSP Procedures are terminated in accordance with the provisions hereof, all Deposits shall be returned to the Qualified Bidders within five business days of the date upon

which it is determined that the Auction will not take place or these SSP Procedures are terminated, as applicable.

38. If an entity selected as the Successful Bidder or Backup Bidder breaches its obligations to close the applicable transaction, it shall forfeit its Deposit to the Receiver; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Receiver has against such breaching entity.

A. Approvals

38. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or are otherwise required at law in order to implement a Successful Bid or Backup Bid, as the case may be.

B. Notice

39. The addresses used for delivering documents to the Receiver as required by the terms and conditions of these SSP Procedures are set out below. A bid and all associated documentation shall be delivered to the Receiver by electronic mail, personal delivery or courier.

40. To the Receiver:

KSV Restructuring Inc.
2300 - 220 Bay Street,
Toronto, ON M5J 2W4

Attn: Noah Goldstein
Email: ngoldstein@ksvadvisory.com

with a copy to:

Cassels Brock & Blackwell LLP
2200 – 885 West Georgia Street
Vancouver, BC V6C 3E8

Attn: Vicki Tickle
Email: vtickle@cassels.com

Reservation of Rights

41. The Receiver may reject, at any time any bid (other than the Stalking Horse Bid) that is inadequate or insufficient, or not in conformity with the requirements of these SSP Procedures or any orders of the Court applicable to the Debtors and in accordance with the terms hereof, may further impose additional terms and conditions and otherwise seek to modify the SSP Procedures at any time in order to maximize the results obtained, and may accept bids not in conformity with these SSP Procedures to the extent that the Receiver determines, in its

reasonable business judgment, that doing so would benefit the Debtors' estates and their stakeholders.

42. The Receiver may, in its reasonable discretion, extend the Final Bid Deadline, the Outside Date, the date for selection of the final Successful Bid(s) and the Backup Bid(s), the date for finalization and execution of definitive documentation in respect of the Successful Bid, and/or the date for the hearing of the Approval Application.
43. Prior to the conclusion of the Auction, the Receiver may impose such other terms and conditions, on notice to the relevant Auction Bidders, as the Receiver may determine to be in the best interests of the Debtors' estate and their stakeholders that are not inconsistent with any of the procedures in these SSP Procedures.
44. The SSP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver and any potential bidder, Qualified Bidder, Auction Bidder, Successful Bidder or Backup Bidder, other than as specifically set forth in definitive documentation that may be executed by the Receiver.

No Amendment

45. There shall be no amendments to these SSP Procedures without the prior written consent of the Receiver and the Purchaser, or further order of the Court obtained on reasonable notice to the Receiver.

Further Orders

46. At any time during the Sale Procedure, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

Schedule “F”

Form of Sale Procedure Order

[see attached]

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND

**300 HENRY STREET LIMITED PARTNERSHIP
and
0790857 B.C. LTD.**

RESPONDENTS

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF RECEIERSHIP OF
3000 HENRY STREET LIMITED PARTNERSHIP
AND 0790857 B.C. LTD.**

ORDER MADE AFTER APPLICATION

BEFORE THE)
HONOURABLE JUSTICE) [●], 2024
STEPHENS)

THE APPLICATION of KSV Restructuring Inc. in its capacity as Court-appointed Receiver and Manager (the “**Receiver**”) of the assets, undertakings and properties of 3000 Henry Street Limited Partnership and 0790857 B.C. Ltd. (together, the “**Debtors**”) coming on for hearing at Vancouver, British Columbia on the [●] day of [●], 2024; AND ON HEARING from Vicki Tickle, counsel for the Receiver and those other counsel listed on **Schedule “A”** hereto; AND UPON READING the material filed, including the Receiver’s [●] Report to the Court, dated [●], 2024; AND UPON REVIEWING the Order of the Honourable Justice Stephens, granted July 29, 2024;

THIS COURT ORDERS THAT:

SERVICE

1. The time for service of this Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service

thereof upon any interested party other than those parties on the Service List established in this proceeding is hereby dispensed with.

SSP PROCEDURES, STALKING HORSE BID AND BREAK FREE

2. The sale solicitation process attached as **Schedule “B”** hereto, subject to any amendments thereto that may be made in accordance therewith (the **“SSP Procedures”**) be and is hereby approved.
3. The Receiver and its advisors (including any sales agent or broker for and on behalf of the Receiver) is hereby authorized and directed to implement the SSP Procedures and do all things as are reasonably necessary to conduct and give full effect to the SSP Procedures and carry out its obligations thereunder.
4. The Receiver is hereby authorized and directed to execute and enter into the definitive “stalking horse” agreement of purchase and sale (the **“APS”** and the transactions provided therein, the **“Stalking Horse Bid”**) with 1496619 B.C., or its designated nominee, as purchaser (the **“Purchaser”**), substantially on the terms set out in the stalking horse asset purchase agreement attached as **Schedule “C”** hereto, subject to such amendments, additions and/or deletions permitted by the APS and as may be negotiated between the Receiver and the Purchaser.
5. The Stalking Horse Bid submitted by the Purchaser is hereby approved as the Stalking Horse Bid pursuant to and for purposes of the SSP Procedures, provided that nothing herein approves the sale to and the vesting of any assets or property in the Purchaser pursuant to the Stalking Horse Bid and that the approval of the sale and vesting of such assets and property shall be considered by this Court on a subsequent application made to this Court if the Purchaser is the Successful Bidder (as defined in the SSP Procedures) pursuant to the SSP Procedures.

SALES AGENT AGREEMENT

6. The Receiver is hereby authorized and empowered to enter into an engagement letter with a sales agent or broker of its choosing.

BY THE COURT

REGISTRAR

Schedule "A"

List of Counsel

Counsel name/litigant	Party represented
[●]	[●]
[●]	[●]

Schedule "B"

Sales Solicitation Process

[see attached]

Schedule "C"

APS (Sale Agreement)

[see attached]

Appendix “C”



**Stalking Horse Break Fee Analysis
Current as at May 13, 2024**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	23-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-	Yes	
Heritage Cannabis Holdings Corp.	BJK Holdings Ltd. and HAB Cann Holdings Ltd.	CCAA	KPMG	10-Apr-24	Ontario	Cannabis	400,000		400,000	approximately \$7.7 million to \$11.1	5.19% -		
Canadian Overseas Petroleum Limited	Summit Partners Credit Fund II, L.P., Summit	CCAA	KSV	8-Apr-24	Alberta	Oil & Gas	US\$350,000	reasonable expenses	-	-	-	Yes	
1000093910 Ontario Inc.	2557904 Ontario Inc.	Receivership	KSV	13-Nov-24	Ontario	Real Estate	200,000	50,000	250,000	24,255,000	1	Yes	
BZAM Ltd.	1000816625 Ontario Inc.	CCAA	KSV	1-Mar-24	British Columbia	Cannabis	750,000	100,000	850,000	Unclear	3.6-5.2	Yes	
Athabasca Minerals Inc.	JMAC Energy Services LLC	NOI	KSV	5-Dec-23	Alberta	Distribution	-	200,000	200,000	13,000,000	1.5	Yes	
Midnight Integrated Financial Inc.	2593054 Alberta Ltd.	CCAA	EY	4-Mar-24	Alberta	Financial Services	-	-	-	11,000,000	-	No	
Garibaldi at Squamish Limited	Aquilini Development LP, Garibaldi	Receivership	EY	13-Mar-24	British Columbia	Other	500,000	-	500,000	approximately \$80.41 million	0.6	Yes	
Free Rein Resources Limited	Invico Diversified Income Limited Partnership	NOI	FTI	1-Aug-23	Alberta	Oil & Gas	-	-	-	-	-	Term Sheet yes	
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	1-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-	Yes	
Lighthouse Immersive Inc. and Lighthouse Immersive USA	SCS Finance, Inc.	CCAA	B. Riley Farber	5-Oct-23	Ontario	Other	-	-	-	-	-	Yes	
Validus Power Corp. et al.	Macquarie Equipment Finance Limited and Far North Power Corp.	CCAA	KSV	19-Oct-23	Ontario	Professional Services	1,260,000	1,000,000	2,260,000	59,000,000	3.85%	Yes	
Aleafia Health Inc. et al.	RWB (PV) Canada Inc.	CCAA	KSV	10-Aug-23	Ontario	Cannabis	-	500,000	500,000	25,000,000 - 29,000,000	1.72-2%	Yes	
NextPoint Financial Inc. et al.	Certain lenders to NextPoint	CCAA	FTI	1-Jul-23	British Columbia	Financial Services	700,000	Reasonable expenses also covered	700,000	175,000,000	0.4	Yes	
DecisionOne	STC Lender LP	NOI	KPMG	22-May-23	New Brunswick	Technology	-	-	-	US 3,000,000	-	Yes	
Datatax Business Services Limited	2872802 Ontario Inc.	NOI	KPMG	11-Aug-23	Alberta	Professional Services	400,000	-	400,000	40,700,000	1%	Yes	
Edward Collins Contracting Ltd.	92712 Newfoundland & Labrador Inc.	CCAA	Grant Thornton	17-May-23	Newfoundland	Construction	144,800	30,000	144,800	7,240,000	2.40%	Yes	
Digital Orthodontic Care Inc.	Ortho Studios Express, Inc.	Receivership	Richter	10-Aug-23	Ontario	Healthcare	85,000	-	85,000	\$3 million credit bid	2.83%	Yes	



**Stalking Horse Break Fee Analysis
Current as at May 13, 2024**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Pathway Health Corp. (TSV: PHC) and Pathway Health Services Corp.	AvonleaDrewry Holdings Inc.	Interim Receivership	KSV	2-Oct-23	Ontario	Healthcare			62,500	1,250,000	5%	Yes	
Aereus Technologies Inc.	1000608245 Ontario Inc.	NOI	B. Riley Farber	4-Aug-23	Ontario	Manufacturing	21,600	-	21,600	Credit bid plus assumed liabilities	-	Yes	
IE CA 3 Holdings Limited	NYDIG ABL LLC	Receivership	PwC	7-Jun-23	British Columbia	Financial Services	USD 630,000	-	USD 630,000	USD 21,000,000	3%	Yes	
Fire & Flower Inc. et al.	2707031 Ontario Inc. (the DIP lender)	CCAA	FTI	15-Jun-23	Ontario	Cannabis	650,000	100,000	750,000	Credit bid (release of all obligations owing under DIP loan and bridge loan)	3.40%	Yes	
1194038 Alberta Ltd.	2262576 Alberta Ltd.	Receivership	EY	5-Jun-23	Alberta	Real Estate	125,000		125,000	4,375,000	2.80%	Yes	
GreenSpace Brands Inc.	2762454 Ontario Inc.	Ontario	PwC	5-Apr-23	Ontario	Food & Accommodation	150,000	-	150,000	~9 million, plus certain assumed liabilities and other amounts	1.70%	No	
FlexiTy Solutions Inc. and FlexiTy Holdings Inc.	BHG-BC Holdings Ltd	NOI	Farber	29-Mar-23	Ontario	Technology	-	-	-	11.1 million		Yes	
LoyaltyOne Co. (dba AIR MILES®)	BMO	CCAA	KSV	10-Mar-23	Ontario	Other	3 million	1 million	4 million	US 160 million	2.50%	Yes	



**Stalking Horse Break Fee Analysis
Current as at May 13, 2024**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
DCL Corporation	Pigments Holdings, Inc.	CCAA	A&M	21-Dec-22	Ontario	Distribution	-	-	-	\$166.2 million to \$170.9 million	0.00%	Yes	
11157353 Canada Corporation	ReFlourish Capital Limited	NOI	EY	14-Feb-23	Ontario	Cannabis	20,000	25,000	45,000	400,000 euros		Yes	
Tehama Inc.	14667913 Canada Inc.	CCAA	Deloitte	7-Feb-23	Ontario	Technology	-	-	-	2.8 million credit bid, plus assumed liabilities, for total consideration of approximately 3 million		Yes	
Trichome Financial Corp.	L5 Capital Inc.	CCAA	KSV	12-Dec-22	Ontario	Cannabis	-	200,000	200,000	5,000,000 and certain deferred consideration payable pursuant to secured limited recourse promissory notes	4.00%	Yes	
Westoak Naturals Inc.	Avena Foods Limited	Receivership	BDO	9-Nov-22	Ontario	Distribution	30,000	25,000	55,000	1,000,000 credit bid plus the costs of the receivership	5.50%	No	
Robus Resources Inc.	Robus Equity Acquisition Corporation, as nominee of Blue Fin Group LLP and Robus Services LLC	Receivership	A&M	8-Dec-22	Alberta	Oil & Gas	182,000		182,000	USD\$9,100,000	2.00%	No	
The Flowr Corporation et al.	1000343100 Ontario Inc.	CCAA	EY	31-Oct-22	Ontario	Cannabis	185,000		185,000	\$3,888,888.88 plus the Closing DIP Loan (as defined below) and Assumed Liabilities	4.76%	No	



Stalking Horse Break Fee Analysis
Current as at May 13, 2024

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Solvaqua Inc.	2464525 Alberta Ltd.	Receivership	MNP	1-Oct-22	Alberta	Other	175,000		175,000	A cash payment sufficient to cover various security interests, a CRA claim and a holdback, plus the payment of the balance of the purchase price being \$2.5 million, to be paid by way of set-off against (as a non-cash credit reduction of) the Arnaki Claim.	7.00%	Y	
Cannapiece Group Inc. et al.	Cardinal Advisory Limited	CCAA	BDO	8-Nov-22	Ontario	Cannabis	175,000	25,000	200,000	\$3.5 million cash, plus Assumed Liabilities, if any	5.70%	Yes	
iS5 Communications Inc.	Elektrophoenix GmbH	NOI	Grant Thornton	17-Oct-22	Ontario	Technology	USD \$200,000	USD \$200,000	USD \$250,000	USD \$5 million, a portion of which will be comprised of a "credit bid" of amounts owing under the DIP Term Sheet	5.00%	Yes	
Go-To Developments Holdings Inc.	2357616 Ontario Inc.	Receivership	KSV	8-Aug-22	Ontario	Real Estate	-	60,000	60,000	9.5 million or greater	1.00%	No	
Just Energy Group	The DIP lenders and one of their affiliates	CCAA	FTI	4-Aug-22	Ontario	Oil & Gas	US\$14.66 million	-	US\$14.66 million	US\$184.9 million in cash, plus up to an additional \$10 million, a credit bid of US\$252.7 million, plus the assumption of certain liabilities	3.40%	No	
Zenabis Group	2657408 Ontario Inc.	CCAA	EY	16-Jun-22	Quebec	Cannabis	-	750,000	750,000	Unclear - confidential	Unclear	No	



**Stalking Horse Break Fee Analysis
Current as at May 13, 2024**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Freshlocal Solutions Inc.	Third Eye Capital Corporation	CCAA	EY	17-Jun-22	British Columbia	Retail	Unclear - confidential	Unclear - confidential	Unclear - confidential	Unclear - confidential	2.50%	No	
Cura-Can Health Corp. and its wholly-owned subsidiary The Clinic Network Canada Inc.	Avonlea-Drewry Holdings Inc.	Receivership	KPMG	14-Mar-22	Alberta	Cannabis	325,000		325,000	Approximately \$6,750,000 of which \$6,500,000 will be credited against the indebtedness owing to the purchaser	4.8	Yes	
Jam Hospitality Inc. et al.	2424115 Alberta Ltd.	Receivership	PwC		Alberta	Food & Accommodation	500,000			18.5 million		No	
Balanced Energy Oilfield Services Inc. et al.	XDI Energy Solutions Inc.	Receivership	FTI	21-Mar-22	Alberta	Oil & Gas	250,000			(i) CA \$11,250,000 in cash; (ii) such amount as it required to pay out and satisfy, in full, the first charge held by Laurentian Bank over certain equipment	Unclear	Yes (term sheet)	
BlackRock Metals Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	CCAA	Deloitte	22-Dec-21	Quebec	Mining	2.5 million		2.5 million	Credit bid of \$90,759 M	2.75	Yes	
Behr Technologies Inc.	13486826 Canada Inc.	NOI	Farber	19-Jan-22	Ontario	Technology	75,000		75,000	Purchase price comprised of a credit bid of \$1,000,000 in debt owing under the DIP Facility plus cash in a to-be-determined amount for priority payables	Unclear	Yes	
Harte Gold Corp.	1000025833 Ontario Inc.	CCAA	FTI	15-Dec-21	Ontario	Mining	-	-	-	-	0	No	



Stalking Horse Break Fee Analysis
Current as at May 13, 2024

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
McEwan Enterprises Inc.	2864785 Ontario Corp.	CCAA	A&M		Ontario	Food & Accommodation	390,000		390,000	(A) \$2,200,000, plus (B) an amount equal to Cure Costs, plus (C) the assumption of the Assumed Obligations by the Purchaser	Unclear	No	
Junction Craft Brewing Inc.	1000003509 Ontario Limited	NOI	Richter	5-Nov-21	Ontario	Food & Accommodation	50,000	25,000	75,000	400,000 cash plus the assumption of certain liabilities	Unclear	Yes	
Nimbus Water Systems Inc.	2752837 Ontario Inc.	Receivership	BDO	6-Sep-21	Ontario	Professional Services	250,000	50,000	300,000	13,000,000	2.31%	Yes	
O2 Industries Inc.	2841551 Ontario Limited	Receivership	RSM	2021	Ontario	Healthcare	-	-	-	-	0.00%	Yes	
Turuss (Canada) Industry Co. Ltd.	Westmount Park Investments Inc.	Receivership	MNP	13-Apr-21	Ontario	Manufacturing	Combined break fee and expense reimbursement amount of \$175,000	Combined break fee and expense reimbursement amount of \$175,000	175,000	6,500,000	2.69%	Yes	
Salt Bush Energy Ltd.	Ironbark Energy Ltd.	NOI	Deloitte	2-Feb-21	Alberta	Oil & Gas	50,000	25,000	75,000	Unclear	Unclear	Yes	
Allied Track Services Inc.	2806401 Ontario Inc.	NOI	KSV	21-Jan-21	Ontario	Professional Services	-	-	-	104,800,000	0.00%	Yes	



**Stalking Horse Break Fee Analysis
Current as at May 13, 2024**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Family Fitness Inc.	BTA Real Estate Group Inc.	Receivership	A&M	15-Jan-21	Saskatchewan	Other	40,000		40,000	800,000 plus the assumption of assumed liabilities	5.00%	Yes	
Avenir Sports Entertainment Limited	Avina Acquisition Corp.	Receivership	KSV	15-Dec-20	Alberta	Entertainment	186,000		186,000	4,650,000	4.00%	Yes	
Urthecast Corp. (TSX:UR)	Antarctica Infrastructure Partners, LLC, an affiliate of Antarctica Capital LLC	CCAA	EY	15-Oct-20	British Columbia	Technology	2,070,000	1,000,000	3,070,000	69,000,000	4.45%	No	
110-112 Avenue Road; 114 Avenue Road and 116 Avenue Road	SC Land Inc.	Receivership	RSM	9-Oct-20	Ontario	Financial Services	-	385,000	385,000	16,100,000	2.39%	Yes	
Fun and Fitness Trampolines Inc.	2786323 Ontario Inc.	NOI	Crowe Soberman Inc.	26-Oct-20	Ontario	Entertainment	10,000	-	10,000	Purchase price confidential	Unclear - purchase price confidential	Yes	
Muskoka Grown	Arthur Zwingenberger, in trust for a corporation to be formed under the laws of the Province of Ontario, and 2685164 Ontario Inc.	NOI	Farber	27-Jul-20	Ontario	Cannabis	-	113,000	113,000	11,961,394	<1%	Yes	
Wire IE (Canada) Inc.	Crown Capital Private Credit Fund, LP	NOI	Farber	20-Jul-20	Ontario	Technology	-	200,000	200,000	\$9.5 million plus the assumption or satisfaction of certain liabilities	%		



Stalking Horse Break Fee Analysis
Current as at May 13, 2024

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Bow River Energy Ltd.	2270943 Alberta Ltd.	CCAA	BDO	17-Jul-20	Alberta	Oil & Gas	175,000	-	175,000	4,290,221	4.08%	Y	
Cirque du Soleil	Spectacle Bidco LP	CCAA	EY	15-Jul-20	Quebec	Media	-	-	-	US\$1,215 million	-%	Y	APA is called Exhibit 23a in the Document Library
Dominion Diamond Mines	Washington Diamond Investments Holdings II, LLC	CCAA	FTI	21-May-20	Alberta	Mining	US2, 522,000	US2,250,000	4,772,000	US\$126.1 million in cash, plus up to US\$5.0 million in respect of any incremental amounts outstanding, plus the assumption of certain liabilities	2.0%	N	
Penady (Barrie) Ltd.	Choice Properties Limited Partnership	Receivership	RSM	2-Jun-20	Ontario	Real Estate	-	400,000	400,000	Unclear - credit bid	Unclear	Y (unsigned copy)	
James E. Wagner Cultivation Corporation	Trichome Financial Corp.	CCAA	KSV	31-Mar-20	Ontario	Cannabis	-	100,000	100,000	11,700,000	0.9%	Y	
Traverse Energy Ltd.	Barrel Oil Corp.	Receivership	EY	5-Feb-20	Alberta	Oil & Gas	97,500	-	97,500	3,250,000	3.0%	Y	
Viafoura Inc.	Intercap Equity Inc.	NOI	KSV	22-Jan-20	Ontario	Technology	25,000	45,000	70,000	1,491,000	4.7%	Y	
Waves E-Gaming Inc.	Amulka Ventures Inc.	Receivership	Dodick Landau	16-Jan-20	Ontario	E-gaming	-	-	-	370,000	0.0%	Y	
Trade Secret Web Printing Inc.	B&Y Property Holdings Inc.	NOI	Crowe Soberman Inc.	13-Dec-19	Ontario	Printing	-	50,000	50,000	1,800,000	2.8%	Y	
Clover Leaf Seafoods	Certain affiliates of FCF Co. Ltd	CCAA	Alvarez & Marsal	21-Nov-19	Ontario	Distribution	US \$27.75 million	US \$2.5 million	\$30.25 million	US \$925.6 million to \$930.6 million	3.0%	Y	6



**Stalking Horse Break Fee Analysis
Current as at May 13, 2024**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
3070 Ellesmere Developments Inc.	CoStone Development Inc. and Campus Suites Inc.	NOI	Crowe Soberman Inc.	19-Aug-19	Ontario	Real Estate	400,000		400,000	16,000,000	2.5%	Y	
Orbcare Inc.	iGan Partners Inc.	NOI	MNP	8-Aug-19	Ontario	Technology	60,000		60,000	1,200,000	5.0%	N	
Octopus Holdings Ltd.	East Winds Caribbean Limited Partnership	Receivership	Hardie & Kelly	3-Jun-19	Alberta	Hospitality	-	-	-	2,600,000	0.0%	Y	
Argex Titanium Inc.	Mr. Mazen Alnaimi and other investors	NOI	PwC	21-Jun-19	Quebec	Technology					5.0%	Y	5
Strategic Oil & Gas Ltd.	GMT Exploration Zama Inc.	CCAA	KPMG	3-May-19	Alberta	Oil & Gas	75,000		75,000	1,500,000	5.0%	Y	
Strategic Oil & Gas Ltd.	GMT Exploration Zama Inc.	CCAA	KPMG	3-May-19	Alberta	Oil & Gas	75,000		75,000	1,500,000	5.0%	Y	
Divestco Inc.	2179602 Alberta Ltd.	CCAA	Grant Thornton	19-Mar-19	Alberta	Oil & Gas	425,000	-	425,000	15,410,517	2.8%	Y	
Versaccounts Limited	Seatile Atlantic, Inc.	NOI	Farber	23-Jan-19	Ontario	Technology	25,000	25,000	50,000	250,000	20.0%	Y	
Vari-Form Inc.	11032569 Canada Inc.	CCAA	PwC	7-Jan-19	Ontario	Automotive	1,500,000	-	1,500,000	50,000,000	3.0%	Y	4
Stantive Technologies Group Inc.	2671682 Ontario Inc.	NOI	EY	14-Dec-18	Ontario	Technology	93,000	25,000	118,000	5,400,000	2.2%	Y	
1033803 Ontario Inc., operating as Forma-Con Construction and Forma Finishing	2657897 Ontario Inc.	Receivership	KSV	6-Dec-18	Ontario	Real Estate	-	-	-	16,500,000	0.0%	Y	
Ladacor AMS Ltd., Nomads Pipeline Consulting Ltd., and 2367147 Ontario Inc.	Sioux Lookout First Nations Health Authority	Receivership	A&M	16-Oct-18	Alberta	Real Estate			125,000	5,000,000	2.5%	Y	3
Purewal Blueberry Farms	0801226 B.C. Ltd.	CCAA	FTI	10-Oct-18	British Columbia	Agriculture			275,000	8,000,000	3.4%	Y	3



**Stalking Horse Break Fee Analysis
Current as at May 13, 2024**

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
2301132 Ontario and 2309840 Ontario	E. Manson Investments Limited	NOI	KSV	5-Oct-18	Ontario	Real Estate	175,000	50,000	125,000	6,700,000	1.9%	Y	
Aralez Pharmaceuticals Inc.	Nuvo Pharmaceuticals Inc.	CCAA	Richter	18-Sep-18	Ontario	Pharmaceutical	2,187,500	575,000	2,762,500	62,500,000	4.4%	Y	
1760184 Ontario Ltd. (Surface Heat Treat &	Rampart Steel Treating Ltd.	NOI	Farber	18-Jun-18	Ontario	Manufacturing	42,500		42,500	850,000	5.0%	Y	1, 3
3291745 Nova Scotia	3308949 Nova Scotia Limited	Receivership	KSV	14-Jun-18	Nova Scotia	Real Estate	100,000	25,000	125,000	3,225,000	3.9%	Y	
Discovery Air	Various	CCAA	KSV	21-Mar-18	Ontario	Aviation	-	-	-	-	0.0%	Y	2

Notes

- 1 Purchase price equal to the sum of \$191,000 in cash plus 90% of the inventory value as at the closing date, plus the purchaser's agreement to the AR collection agreement appended to the APA. Estimated TV is reported in Farber's first report.
- 2 Four separate stalking horse agreements were entered into for various of the debtor's business units. The stalking horse bidder in each agreement is a corporation related to the debtor's 95.5% shareholder and most significant secured creditors. The purchase price in each case is in the form of a credit bid or assumption of debt. No break fees are contemplated in any of the stalking horse agreements.
- 3 APA did not split break fee between termination fee and expense reimbursement amounts
- 4 Estimated transaction value consists only of the cash portion of the purchaser's bid.
- 5 Estimated transaction value equal to an amount sufficient to satisfy i) repayment of the amounts secured by the administration charge; ii) repayment of the DIP loan; iii) payment of amounts secured by KERP charge; and iv) funding of a proposal which will provide for payment of, among other things, the outstanding secured debentures and preferred claims.

Appendix “D”

Re: Listing Agreement (the "**Agreement**") for the lands legally described as:

- a) LOT 17 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618, PID 002-083-931;
- b) LOT 18 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618, PID 002-083-957;
- c) LOT 19 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618, PID 002-422-875; and
- d) LOT 20 DISTRICT LOT 190 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 11618, PID 002-422-891,

and municipally known as 3000 Henry Street, Port Moody, British Columbia (the "**Property**") between Colliers Macaulay Nicolls Inc. (the "**Listing Brokerage**") and **KSV Restructuring Inc.** (the "**Seller**"), without personal or corporate liability and solely in its capacity as Court-appointed receiver of all of the assets, undertakings and property of 3000 Henry Street Limited Partnership and 0790857 B.C. Ltd. (the "**Debtors**") as they relate to the business of the Debtors.

Notwithstanding anything contained in the Agreement, each of Listing Brokerage, and the Seller acknowledges and agrees as follows:

1. Termination Rights. The Seller may, without penalty or cost to the Seller, terminate the Agreement at any time if the Listing Brokerage is in default hereunder or under any other agreement with the Seller. In addition, this Agreement shall automatically terminate if: (a) the Supreme Court of British Columbia (the "**Court**") order appointing the Seller and/or the Seller's appointment as receiver and manager of the Property owned by the Debtors is revoked, overturned on appeal, suspended or terminated; and/or (b) the Seller is restricted in or enjoined from dealing with the Property by a court of competent jurisdiction; and/or (c) the mortgagee of the Property or any other future lenders are permitted by Court order to enforce their rights and/or remedies against the Property.

2. Price. While it is the Seller's intention to obtain the highest and best offer for the Property, the Listing Brokerage acknowledges and agrees that the Seller need not accept the highest offers and/or the best offers or any offer, and that acceptance by the Seller of any offers for the Property are subject at all times to the Seller's approval in its sole and absolute discretion and as well as approval by the Court. No fee, commission or other compensation is payable to the Listing Brokerage in respect of the Property unless and until the sale of the Property has been completed and the Seller is paid in its entirety.

3. Holdover Period Commission. Any fee, commission or other compensation payable to the Listing Brokerage in connection with a holdover period, being six months from the termination of the Agreement ("**Holdover Period**"), shall: (a) only apply to those purchasers who were introduced to the Seller or to the Property by the Listing Brokerage during the Listing Period (as described in section 17 of this Agreement) and who the Listing Brokerage has previously disclosed in writing to the Seller no later than three (3) days following the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Property as the new Listing Brokerage (the "**New Agent**") on the basis of an agreement with the New Agent entered into with respect to the Holdover Period. If the Listing Brokerage had introduced up to a maximum of two (2) different prospective bona fide purchasers to the Seller during the Listing Period (each being a "**Serious Prospect**") and said Serious Prospect had entered into material negotiations with the Seller to purchase the Property, but said material negotiations had not resulted in a binding agreement of purchase and sale, to the extent that each of the Listing Brokerage and the Seller agree in writing to designate said prospective purchaser as a Serious Prospect prior to the expiration of the Listing Period, and so long as the Seller is not prohibited from doing so, and provided that the New Agent has agreed to forego its fee should a sale to a Serious Prospect be completed, the Listing Brokerage shall be entitled to its commission in connection with the transaction being completed with the Serious Prospect upon terms and conditions acceptable to the Seller in their sole and absolute discretion, which transaction must be subject to Court approval and a binding and unconditional agreement of purchase and sale executed by each of the parties thereto prior to the expiration of the Holdover Period. During the Holdover Period, the Listing Brokerage will not be entitled to any commission, payment or fee as the Seller's agent if the Listing Team (as defined below) represents the purchaser.

4. Listing Brokerage's Duties. The Listing Brokerage covenants and agrees with the Seller to:

- (a) pursuant to the Seller's instructions as outlined below, offer the Property for sale on an unpriced basis (save and except as described in (b) below with respect to the Multiple Listings Service ("**MLS**"));

(b) if instructed by the Seller, offer the Property for sale on MLS, for which the listed price shall be \$1.00, or as otherwise directed by the Seller, and the commissions to Co-operating Agents (as defined below) shall be negotiated by the Listing Brokerage with the Co-operating Agents which, in aggregate, is not to exceed the Listing Fee (as defined below);

(c) unless otherwise agreed by the Seller, diligently market the Property for sale and use commercially reasonable efforts to sell the Property pursuant to the sale procedure set out below:

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Underwriting</i>		
Due diligence	<ul style="list-style-type: none"> ➤ The Listing Brokerage to review all available documents (financial, legal and environmental reports) concerning the Real Property. 	As soon as practicable
Finalize marketing materials	<ul style="list-style-type: none"> ➤ The Listing Brokerage and the Seller to: <ul style="list-style-type: none"> ○ prepare a Teaser Letter; ○ populate an online data room; ○ prepare a non-disclosure agreement ("NDA"); and ○ prepare a Confidential Information Memorandum. 	
Prospect Identification	<ul style="list-style-type: none"> ➤ The Listing Brokerage will qualify and prioritize prospects; and ➤ The Listing Brokerage will also have pre-marketing discussions with targeted prospects. 	
<i>Marketing and Offer Solicitation</i>		
	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ offering summary and marketing materials printed; ○ launch of email and social media campaign; ○ publication of the acquisition opportunity in a regional and national newspaper; ○ telephone and email canvass of leading prospects; and ○ meet with and interview bidders. ➤ The Listing Brokerage to provide detailed information to qualified prospects that sign the 	October 25, 2024 – November 25, 2024

Summary of Sale Process		
Milestone	Description of Activities	Timeline
	<p>NDA, including the CIM and access to the data room.</p> <ul style="list-style-type: none"> ➤ The Listing Brokerage to facilitate diligence by interested parties. ➤ The Seller and legal counsel will prepare a vendor's form of Purchase and Sale Agreement which will be made available in the data room. ➤ The Listing Brokerage to provide weekly updates to the Seller. 	
<i>Offer Review and Negotiations</i>		
LOI	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit letters of intent. 	November 25, 2024
Final Bid	<ul style="list-style-type: none"> ➤ Final Bid Deadline. 	December 9, 2024
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Proposal short listing and approval. ➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser. 	December 9, 2024 - December 12, 2024
Auction	<ul style="list-style-type: none"> ➤ Conduct an Auction, if necessary. 	December 12, 2024 - December 17, 2024
Due Diligence	<ul style="list-style-type: none"> ➤ Manage and monitor final due diligence process, to the extent required. 	
<i>Closing</i>		
Sale Approval Application and Closing	<ul style="list-style-type: none"> ➤ Motion for sale approval and close transaction. ➤ Transaction completed as soon as possible. 	ASAP

(d) co-operate with all licensed real estate brokers and agents in the sale of the Property (collectively the "Co-operating Agents" and each a "Co-operating Agent"), with any commissions or fees of such Co-operating Agents to be paid by the Seller as stated above;

(e) ensure that there is continuity in the assignment of individual staff members and partners to the work performed by the Listing Brokerage under the terms of this engagement. In particular, the Listing Brokerage agrees to ensure that individual staff members originally assigned, including Morgan Iannone and Casey Weeks (collectively the "Listing Team"), to perform work in connection with the Listing Brokerage's engagement, will each be available and will devote the time required to undertake the assignment contemplated herein;

(f) subject to the instructions of the Seller, to assist the Seller in negotiating binding agreements of purchase and sale subject to Court approval with those parties identified by the Seller. Only the Seller shall have authority to accept offers and the Listing Brokerage shall not have any authority whatsoever to enter into any sale, financing or other contract on behalf of the Seller and/or to otherwise bind the Seller in any manner whatsoever;

(g) continue to assist the Seller in connection with the sale of the Property and seeking Court approval after the execution of a binding agreement of purchase and sale with respect to the same until such sale has been successfully concluded; and

(h) unless the Seller's written consent is provided in advance, to act solely for the benefit of the Seller in connection with the marketing and sale of the Property and not to have any direct or indirect interest in any entity purchasing or proposing to purchase the Property and not to receive any payments or other benefits from said purchasers or potential purchasers.

5. Commission Payable to the Listing Brokerage. The Seller shall pay to the Listing Brokerage upon the successful completion of sale of the Property, a commission payable (the "Listing Fee") of:

(a) a flat fee of \$60,000 (the "Work Fee"); plus

(b) if the gross selling price of the Property is in excess of the purchase price documented under the stalking horse agreement of purchase and sale and estimated as, subject to ongoing interest and costs, approximately \$15,150,000 (the "Stalking Horse Threshold"), a premium fee (the "Incentive Fee") calculated, in accordance with the table below, as a percentage(s) of one or more portions, as applicable, of the gross selling price of the Property that is in excess of the Stalking Horse Threshold (a "Stalking Horse Lift"):

Stalking Horse Lift	Percentage of Stalking Horse Lift
Between \$1 and \$500,000	25%
Between \$500,001 and \$750,000	20%
Between \$750,001 and \$1,000,000	15%
Greater than \$1,000,000	10%

For greater certainty, if the gross selling price of the Property is equal to or less than the Stalking Horse Threshold, the Listing Fee shall only include the Flat Fee and shall not include an Incentive Fee.

The Seller acknowledges that payment of GST applies on all commissions payable. As it relates to the commission payable, a sale constitutes a Court approved sale of the Property, share transaction, exercise of first right to purchase, option or other form of sale or transfer of the rights of the Property. The Seller agrees to notify the Listing Brokerage of the successful completion or closing. The Seller hereby instructs its solicitors and agrees to advise the Court to distribute payment to the Listing Brokerage in the amount noted above directly out of the proceeds of sale in accordance with an accepted agreement of purchase and sale and to have same addressed as a closing cost to the transaction.

6. Acknowledgments. The Listing Brokerage acknowledges and agrees in favour of the Seller that: (a) the Property is to be marketed and sold on an "as is, where is" basis and, accordingly, any agreement of purchase and sale shall provide an acknowledgment by such purchaser that the Property is being sold by the Seller on an "as is, where is" basis, and that no representations or warranties have been or will be made by the Seller or anyone acting on its behalf, to the Listing Brokerage or such purchaser as to the condition of the Property or any buildings located thereon; (b) in lieu of a transfer/deed of land for the Property, the Seller will vest title to the Property by way of a vesting order; and (c) the sale of the Property requires the prior approval of the Court in the Court's sole and absolute discretion.

7. Advertisement Expenses & Third Party Consultants. All advertising and sales promotion shall be subject to the approval of the Seller and all such advertisement and promotional material shall be prepared, published and distributed by the Listing

Brokerage and shall be at the expense of the Listing Brokerage. All third-party reports and legal service fees requested and/or approved by the Seller shall be at the expense of the Seller.

8. Indemnity. The Listing Brokerage confirms that it owes an obligation to the Seller and its officers, employees and agents (collectively, the "Indemnified Parties") to carry out its activities in a competent and professional manner acting reasonably and in good faith. As such, the Listing Brokerage confirms that it owes an obligation to the Indemnified Parties with respect to claims made by third parties against the Indemnified Parties arising out of work performed by the Listing Brokerage or the Listing Brokerage's failure to comply with its obligations hereunder. This indemnity shall survive the expiration or termination of the Agreement.

9. Confidentiality. The Listing Brokerage shall treat and shall cause its agents to treat as confidential and shall not disclose, during as well as after the rendering of the service contracted herein, any confidential information, records or documents to which the Listing Brokerage becomes privy as a result of its performance of the Agreement and shall take all necessary steps to ensure the confidentiality of information in the Listing Brokerage's possession or control except for disclosure that may be required for the reasonable performance by the Listing Brokerage of its responsibilities hereunder.

10. Assignment. This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

11. Seller's Capacity. Notwithstanding the foregoing or anything else contained herein or elsewhere, the Listing Brokerage acknowledges and agrees that approval of the Seller's contemplated sale process (including the retention of the Listing Brokerage) and any transaction or transactions involving a sale of the Property require the prior approval of the Court in the Court's sole and absolute discretion.

12. Warranty. Subject to Section 11 above and the remainder of this Section 12, the Seller represents and warrants that the Seller has the exclusive authority and power to execute this Agreement and to authorize the Listing Brokerage to offer the Property for sale. Notwithstanding the foregoing, the Listing Brokerage acknowledges and agrees that the Seller has only limited knowledge about the Property and cannot confirm any third-party interests or claims with respect to the Property such as rights of first refusal, options, easements, mortgages, encumbrances or other otherwise concerning the Property, which may affect the sale of the Property.

13. Facsimile & Counterparts. This Agreement and any other agreement delivered in connection therewith, and any amendments thereto, may be executed by facsimile transmittal facilities, or electronic copy in a portable document format or such similar format and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original of this Agreement, or such other agreement or amendment, as the case may be, and shall be deemed to be made when the receiving party confirms this Agreement, or such agreement or amendment, as the case may be, to the requesting party by facsimile or by electronic copy in a portable document format or such similar format. This Agreement may be executed in several counterparts, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

14. Jurisdiction. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia. If any provision hereof is invalid or unenforceable in any jurisdiction where this Agreement is to be performed, such provision shall be deemed to be deleted and the remaining portions of this Agreement shall remain valid and binding on the parties hereto.

15. Finder's Fees. The Seller does not consent to the Listing Brokerage or any Co-operating Agents (or their respective affiliates) receiving and retaining, in addition to the commission provided for or otherwise contemplated in this Agreement, a finder's fee for any financing of the Property.

16. Verification of Information. The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. For greater certainty, none of the Listing Brokerage or the Listing Brokerage's representatives may bind the Seller or execute any documentation on behalf of the Seller. The Seller hereby

authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

17. Listing Period. The term of this Agreement shall begin upon acceptance of this Agreement (the "Commencement Date") and shall expire one minute before midnight on the six month anniversary of the Commencement Date or upon earlier termination as otherwise prescribed herein. Notwithstanding any other provision in this Agreement, the Listing Brokerage shall not advertise the Property on MLS until the Seller provides expressed authority to do so and all marketing materials have been approved. The Listing Brokerage shall have five (5) days following said approval to post the Property on the MLS.

COLLIERS MACAULAY NICOLLS INC.

Per: _____

Name:

Title:

**KSV RESTRUCTURING INC. SOLELY IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
3000 HENRY STREET LIMITED PARTNERSHIP
AND 0790857 B.C. LTD. AND NOT IN ITS
PERSONAL OR ANY OTHER CAPACITY**

Per: _____

Name: Noah Goldstein

Title: Managing Director