



No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND

DISTRICT NORTHWEST LIMITED PARTNERSHIP

and

105 UNIVERSITY VIEW HOMES LTD.

RESPONDENTS

SECOND REPORT OF THE RECEIVER

March 24, 2025

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1.0 Introduction

1. Pursuant to an order of the Supreme Court of British Columbia (the “**Court**”) pronounced on November 8, 2024 (the “**Receivership Order**”), KSV Restructuring Inc. (“**KSV**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, of certain real property located at 13438 105A Avenue in Surrey, British Columbia¹ (the “**Lands**”) and all right, title, and interest of 105 University View Homes Ltd. (“**105 University**”) and District Northwest Limited Partnership (“**District LP**” and together with 105 University, the “**Debtors**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands (together with the Lands, the “**Property**”), including all proceeds thereof. A copy of the Receivership Order is attached as **Appendix “A”**.
2. The Receivership Order restricted the Receiver from the following actions until January 18, 2025:
 - a) marketing 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;
 - b) selling, conveying, transferring, leasing, or assigning the Property or any part or parts thereof out of the ordinary course of business; and
 - c) applying 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.
3. The above limitations were imposed at the Debtors’ request to provide them with an opportunity to secure a comprehensive refinancing or other transaction capable of repaying KingSett Mortgage Corporation (“**KingSett**”), the Debtors’ largest and senior secured creditor, permitting the District Project (as defined below) to continue, and obviating the need for these proceedings.
4. The Debtors were unable to repay their indebtedness to KingSett or secure a viable refinancing or restructuring transaction. As a result, the Receiver, as detailed below, has taken steps since January 18, 2025 to advance the principal purpose of these proceedings

¹ Legal Description: LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667.

– creating a stabilized environment in which the District Project can be sold, and the proceeds arising therefrom can be distributed for the benefit of the Debtors’ stakeholders.

1.1 Purposes of this Second Report

1. The purposes of this second report (this “**Second Report**”) are to provide an update regarding these proceedings and information in support of the Receiver’s application for the following relief:

a) an amended and restated Receivership Order (the “**Amended and Restated Receivership Order**”), among other things:

- i. expanding the scope of the receivership by appointing KSV as the receiver, without security, of all of Surrey Centre District NW GP Ltd.’s (“**District GP**”) presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including the proceeds thereof (the “**District GP Property**”);
- ii. empowering and authorizing the Receiver to take such steps as the Receiver determines may be reasonably necessary or appropriate to comply with the *Real Estate Development Marketing Act*, S.B.C. 2004, c. 41, as amended (“**REDMA**”); and
- iii. authorizing and directing: (1) Richards Buell Sutton LLP (“**RBS**”) to release and transfer all deposits (collectively, the “**Deposits**”) and interest thereon currently held in trust by it, as trustee, in connection with the Pre-Sale Contracts (as defined below) to the Receiver’s counsel, Bennett Jones LLP (“**Bennett Jones**”), in trust, exclusive of all applicable administration fees and taxes to be remitted by RBS on such administration fees (collectively, the “**Administration Fees**”); and (2) Bennett Jones to release and transfer the Deposits received from RBS in accordance with subsection 18(2) of REDMA and any further Order of this Court; and

b) an order (the “**Sale Procedure Order**”), among other things:

- i. approving the proposed sale procedure attached as Schedule “B” to the Sale Procedure Order (the “**Sale Procedure**”) and authorizing the Receiver to carry out the Sale Procedure in accordance with its terms and the terms of the Sale Procedure Order;

- ii. authorizing and empowering the Receiver, *nunc pro tunc*, to enter into the stalking horse purchase agreement dated March 12, 2025 (the “**Stalking Horse APS**”), between the Receiver and 1419195 B.C. Ltd. (the “**Stalking Horse Bidder**”), solely for the purposes of acting as the stalking horse bid in the Sale Procedure (the “**Stalking Horse Bid**”); and
- iii. approving a \$1 million break fee in favour of the Stalking Horse Bidder (the “**Break Fee**”), and authorizing and directing the Receiver to pay the Break Fee, subject to and in accordance with the terms of the Stalking Horse APS.

1.2 Scope and Terms of Reference

1. In preparing this Second Report, the Receiver has relied upon the Debtors’ unaudited financial information, books and records, information available in the public domain, and discussions with KingSett, the Debtors’ management, and representatives of Third Properties Ltd. (“**Thind**”), an entity related to the Debtors.
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Second Report 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 contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

1.3 Currency

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

1.4 Court Materials

1. Additional information about the Debtors is set out in the Receiver’s first report dated January 21, 2025 (the “**First Report**”) and the affidavit of Daniel Pollack, sworn on October 9, 2024 (the “**Pollack Affidavit**”). Copies of the First Report, the Pollack Affidavit, and all other materials filed in these proceedings can be found on the Receiver’s case website at: www.ksvadvisory.com/experience/case/dnw (the “**Case Website**”)².

² Since the First Report, Boxx Modular GP Inc. filed a builder’s lien against the Lands in the amount of \$6,966.56.

2.0 Background

1. 105 University is a corporation incorporated pursuant to the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the “**BCA**”) and District LP is a limited partnership formed under the *Partnership Act*, R.S.B.C. 1996, c. 348, as amended. District LP and 105 University are the beneficial and registered owners, respectively, of the Lands.

2.1 District Northwest Project

1. Prior to the Receivership Order, the Debtors and District GP were in the process of rezoning and obtaining permits to develop a mixed-use development project consisting of two towers with 1,023 units known as “District Northwest” (the “**District Project**”). As of the date of the Receivership Order, construction on the District Project had not commenced.
2. Beginning in December 2021, the Debtors and District GP began marketing the sale of units in the District Project with the assistance of Rennie Marketing Systems, by its partners Rennie Project Marketing Corporation and 541823 B.C. Ltd. (collectively “**Rennie**”) pursuant to a market agreement dated July 1, 2021 (the “**Marketing Agreement**”), between 105 University, as owner, and Rennie, as marketing agent. As at the date of the Receivership Order, 873 units had been sold (the “**Pre-Sale Units**”) pursuant to presale agreements (collectively, the “**Pre-Sale Contracts**”) between District LP, as vendor, and various third-party purchasers (collectively, the “**Pre-Sale Purchasers**”), as purchasers. In accordance with the Pre-Sale Contracts, Deposits in an aggregate amount of approximately \$78 million, together with interest, as well as approximately \$245,000 in Administration Fees, are currently held in trust by RBS.
3. The outside date under each of the Pre-Sale Contracts is currently December 31, 2027 (the “**Contract Outside Date**”). The form of Pre-Sale Contract appended to the Fifth Amendment to the Disclosure Statement filed by the Debtors and District GP in respect of the District Project is attached as **Appendix “B”**.

2.2 KingSett

1. In connection with the District Project, the Debtors entered into a commitment letter dated February 14, 2022 (as amended on October 16, 2023, January 30, 2024, and March 19, 2024, the “**Commitment Letter**”), among, *inter alios*, District LP, as borrower, 105 University, as nominee, and KingSett, as lender, pursuant to which KingSett provided a first mortgage loan in the principal amount of \$79,912,500 (the “**KingSett Loan**”).

2. As at January 6, 2025, the total indebtedness to KingSett under the KingSett Loan (the “**KingSett Indebtedness**”) was approximately \$88,730,000, accruing interest at a rate of approximately \$30,293.47 per day.
3. The payment and performance of the KingSett Indebtedness is secured by various security, including, among other things:
 - a) a general security agreement dated February 24, 2022, between 105 University, as grantor, and KingSett, as grantee;
 - b) a first mortgage/charge in the principal amount of \$70,000,000 and an assignment of rents registered against the Lands in favour of KingSett;
 - c) a second mortgage/charge in the principal amount of \$99,890,625 registered against the Lands in favour of KingSett;
 - d) a direction, acknowledgement, and security agreement dated February 24, 2022 granted by the Debtors in favour of KingSett; and
 - e) a pledge agreement dated February 24, 2022, between Thind, as pledgor, and KingSett, as lender (the “**Pledge Agreement**”).
4. On August 30, 2024, following the Debtors’ defaults under the Commitment Letter, KingSett provided a notice of default and notice of intention to enforce security in accordance with section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).³ KingSett subsequently sought and obtained the Receivership Order pursuant to subsection 243(1) of the BIA and section 39 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended, appointing KSV as the Receiver of the Property.
5. On January 30, 2025, the Court granted an Order (the “**Judgement**”) confirming the validity and priority of certain of the security granted in connection with the KingSett Indebtedness and judgement in the amount of \$88,681,620.18 as of January 6, 2025, plus interest from and after the date of the Judgement at the rate set out therein. A copy of the Judgement is attached as **Appendix “C”**.

³ KingSett’s notice of intention to enforce security advised of its intention to enforce, among other security, the Pledge Agreement.

3.0 Amended and Restated Receivership Order

1. As set out in Section 1.1 of this Second Report, the Receiver seeks the proposed Amended and Restated Receivership Order, among other things, appointing KSV as the receiver of the District GP Property, adding District GP as a respondent in these proceedings and permitting the transfer of the Deposits. As discussed below, such relief is intended to facilitate the Receiver's compliance with REDMA, and a value-maximizing sale of the Property.

3.1 REDMA

1. As discussed in the First Report, on November 21, 2024, the British Columbia Financial Services Authority ("**BCFSA**") issued a Cease Marketing Letter to the Receiver (the "**Cease Marketing Letter**"). This letter outlined specific compliance requirements under REDMA and requested that the Receiver submit a Cease Marketing Undertaking by November 28, 2024, confirming that all marketing had ceased and would not resume until a new disclosure statement was filed by the Receiver pursuant to subsections 16(1) and 16(2) of REDMA (the "**New Disclosure Statement**").
2. In response to the Cease Marketing Letter, the Receiver delivered a cease marketing undertaking to the BCFSA on November 27, 2024 (the "**Cease Marketing Undertaking**"). The Cease Marketing Undertaking was accepted by the BCFSA on November 28, 2024.
3. On February 4, 2025, after extensive correspondence and discussions between the BCFSA, the Receiver, and Bennett Jones, the BCFSA issued a letter notifying the Receiver that it was required to file a New Disclosure Statement in respect of the District Project as soon as possible after approval of a sale process by this Court, and in any event by March 15, 2025 (the "**Original Disclosure Statement Deadline**"). After being notified by the Receiver that it would be seeking Court approval of the Stalking Horse APS and the Sale Procedure by no later than April 4, 2025, the BCFSA agreed to extend the Original Disclosure Statement Deadline to April 4, 2025 (the "**Disclosure Statement Deadline**"). Copies of the letter dated February 4, 2025 and the email dated March 10, 2025, confirming the Disclosure Statement Deadline are attached as **Appendices "D"** and **"E"**, respectively.
4. To ensure its obligations and those of the Debtors under REDMA, and the requests of the BCFSA, are satisfied, the Receiver is seeking authorization under the proposed Amended and Restated Receivership Order to take such steps as the Receiver determines may be reasonably necessary or appropriate to comply with REDMA, including the filing a New Disclosure Statement. Relatedly, and as discussed immediately below, the Receiver is

seeking to appoint KSV as the receiver of the District GP Property and add District GP as a respondent in these proceedings.

3.2 Addition of District GP as a Respondent

1. District GP is a corporation incorporated pursuant to the BCA and, to the Receiver's knowledge, is a single-purpose entity with no business or operations, save for serving as the general partner of District LP. Copies of a British Columbia Registry Services Company Summary and a British Columbia Personal Property Registry search of Lumina GP are attached as **Appendices "F" and "G"**, respectively.
2. The Receiver recommends that KSV be appointed as receiver, without security, of the District GP Property and that District GP be formally included as a respondent in these proceedings for the following reasons:
 - a) as District LP's general partner, District GP is liable for all of the debts of, and is intricately intertwined with, District LP;
 - b) as the Receiver learned following its appointment, the "Developer" of the District Project for the purposes of REDMA consists of the Debtors and District GP;
 - c) as one of the three entities of which the "Developer" of the District Project is comprised, District GP's involvement in these proceedings is necessary to facilitate a value-maximizing sale of the District Project in a manner that is capable of preserving the Pre-Sale Contracts and the rights and interests of the "Developer", and ensuring compliance with REDMA, including the filing of the New Disclosure Statement requested by the BC Financial Services Authority;
 - d) the inclusion of District GP is a condition of the Stalking Horse APS, and it is integral to the Stalking Horse Transaction (as defined below) insofar as the Stalking Horse APS contemplates that the Purchased Interests will include the Subscribed Shares (each as defined below) of District GP;
 - e) all of the existing shares of District GP have been pledged to KingSett as security for the KingSett Indebtedness pursuant to the Pledge Agreement, a copy of which is attached as **Appendix "H"**;
 - f) a search of the British Columbia Personal Property Registry confirms that KingSett is the only secured party with a registered security interest against District GP; and

g) the Receiver's appointment over the District GP Property is not expected to prejudice any other party.

3. The Receiver's consent to act in respect of District GP is attached as **Appendix "I"**.

3.3 Deposits

1. To facilitate the transfer of the Deposits to the Successful Bidder (as defined below) in the Sale Procedure and the release of Deposits to those Pre-Sale Purchasers that exercise their rights of rescission under REDMA, the proposed Amended and Restated Receivership Order authorizes and directs:

a) RBS to transfer the Deposits and all interest thereon to Bennett Jones, in trust, exclusive of all of the Administration Fees, which shall be held by RBS in trust until further order of this Court;⁴ and

b) Bennett Jones to release and transfer the Deposits received from RBS in accordance with subsection 18(2) of REDMA and any further order of this Court.

2. The Receiver submits that it is appropriate for this Court to authorize and direct the transfer of the Deposits as proposed under the Amended and Restated Receivership Order given that:

a) RBS is not opposed to the transfer of the Deposits, exclusive for greater certainty, of the Administration Fees that Pre-Sale Purchasers acknowledged under the Pre-Sale Contracts that RBS was entitled to charge and deduct from each payment made comprising a Deposit;

b) the Deposits will be held in trust by Bennett Jones and will only be released in accordance with REDMA or further order of this Court;

c) the proposed transfer facilitates the orderly transition of Deposits to the Successful Bidder in the Sale Procedure, to the extent the Deposits form part of such Successful Bidder's purchased assets, and ensures the timely refund of Deposits to Pre-Sale Purchasers that choose to exercise their rights of rescission under and in accordance with REDMA following receipt of the New Disclosure Statement;

⁴ The Receiver currently expects that an order directing the release of the Administration Fees to RBS will be sought on an application to be brought subsequent to the delivery of the Pre-Sale Purchaser Notice (as defined below).

- d) the Pre-Sale Contracts do not expressly prohibit RBS' compliance with an order granted pursuant to subsection 18(2)(h) of REDMA; and
- e) it avoids the need for the Receiver to use separate legal counsel (i.e., RBS) to administer the Deposits in accordance with the terms of the Pre-Sale Contracts and section 18 of REDMA.

4.0 Sale Procedure⁵

1. The Sale Procedure is intended to solicit interest in, and opportunities for, a sale of the Receivership Property, including indirectly by way of a share sale (the “Sale”). It is anchored by the Stalking Horse APS, which is discussed in Section 5 of this Second Report.
2. Subject to Court approval, the Receiver will carry out the Sale Procedure, which was developed in consultation with the Stalking Horse Bidder. The key aspects of the proposed Sale Procedure are summarized below. Interested parties are strongly encouraged to review the full terms of the Sale Procedure, which is attached as Schedule “B” to the proposed Sale Procedure Order.
3. A summary of the Sale Procedure timeline is as follows:

Milestone	Deadline
Distribution of Pre-Sale Purchaser Package	As soon as practicable after the New Disclosure Statement is filed with the BCFSA
Distribution of marketing materials	Within 3 Business Days of the granting of the Sale Procedure Order
LOI Deadline	5:00 p.m. Pacific Time on May 9, 2025
Final Bid Deadline	5:00 p.m. Pacific Time on June 13, 2025
Auction (if required)	5 business days after notification of the Auction Date
Approval Application (if Stalking Horse Bidder is the Successful Bidder)	By no later than 15 Business Days following the selection of the Successful Bid(s)
Approval Application (if Stalking Horse Bidder is not the Successful Bidder)	By no later than 45 calendar days following the selection of the Successful Bid(s)
Closing of Successful Bid	Within 10 Business Days following the expiry of the appeal period or determination of any appeal

⁵ Capitalized terms not defined in this section have the meaning provided to them in the Sale Procedure.

4.1 Pre-Sale Purchaser Package

1. Given that construction of the District Project has not yet commenced, the Contract Outside Date of December 31, 2027 will lapse before the District Project can be completed. Accordingly, the Receiver expects that any potential purchaser of the District Project – whether the Stalking Horse Bidder or a Successful Bidder from the Sale Procedure – would require that the Pre-Sale Purchasers agree to an extension before proceeding with development.
2. Consistent with the Receiver’s expectations, the Stalking Horse APS requires that, on or before June 6, 2025, Pre-Sale Purchasers whose Pre-Sale Contracts have sale prices or deposits totaling \$420 million or \$63 million, respectively, must not exercise the right of rescission under REDMA and execute and deliver to the Receiver an addendum to the Pre-Sale Contract (the “**Addendum to Pre-Sale Contract**”), that, among other things:
 - a) amends the definition of the Contract Outside Date from December 31, 2027 to December 31, 2030 (the “**Revised Contract Outside Date**”);
 - b) includes an acknowledgement from the Pre-Sale Purchaser that the Pre-Sale Purchaser has received and read the New Disclosure Statement; and
 - c) expressly permits the Receiver to transfer all Deposits under the Retained Pre-Sale Contracts to another person who is authorized pursuant to REDMA to hold such deposits.
3. To ensure compliance with the Stalking Horse APS and REDMA, and to facilitate the conduct of the Sale Procedure, the Receiver will file the New Disclosure Statement, and provide or cause to be provided the following (collectively, the “**Pre-Sale Purchaser Package**”) to the Pre-Sale Purchasers as soon as practicable following the granting of the Sale Procedure Order:
 - a) the New Disclosure Statement;
 - b) the Addendum to Pre-Sale Contract; and
 - c) a notice informing Pre-Sale Purchasers of the Sale Procedure, the New Disclosure Statement, the Addendum to Pre-Sale Contract, the Stalking Horse Bid, and their rights of rescission under REDMA (the “**Pre-Sale Purchaser Notice**”).

4. Based on Rennie’s background, familiarity with the District Project, and proven success in marketing the Pre-Sale Units, the Receiver, in consultation with KingSett, decided to engage Rennie pursuant to the existing Marketing Agreement to assist the Receiver in:
 - a) distributing the Pre-Sale Purchaser Package; and
 - b) facilitating the execution of the Addendums to Pre-Sale Contract from the Pre-Sale Purchasers (the “**Pre-Sale Contract Addendum Process**”).
5. A copy of the Marketing Agreement is attached as **Appendix “J”**.
6. The Receiver believes that Rennie’s assistance in the Pre-Sale Contract Addendum Process is beneficial for the following reasons:
 - a) Rennie has agreed to waive the Marketing Fee (as defined in the Marketing Agreement) during these proceedings;
 - b) Rennie is a prominent real estate company based in Vancouver, BC, with a team of over 130 staff and 270 advisors. Rennie provides real estate marketing, development advisory, and brokerage services focusing on high-end residential properties, including luxury homes and high-rise condominiums, and as such, has the requisite expertise, experience, and staff necessary to assist the Receiver in conducting the Pre-Sale Contract Addendum Process;
 - c) KingSett supports the Receiver’s decision to use Rennie to assist in administering the Pre-Sale Contract Addendum Process; and
 - d) Rennie’s knowledge about the District Project (given its involvement since July 2021) and ongoing rapport with Pre-Sale Purchasers and co-operating agents, will enhance the efficacy and efficiency of the Pre-Sale Contract Addendum Process.

4.2 Marketing Process

1. The Sale Procedure provides that the Receiver will prepare and disseminate marketing materials and solicit interest from parties potentially interested in pursuing a Sale. In particular, the Sale Procedure provides that the Receiver will:
 - a) cause a notice of the Sale Procedure, and such other relevant information that the Receiver considers appropriate, to be published in applicable industry publications, websites and/or forums;

- b) prepare a letter describing the Receivership Property, outlining the Sale Procedure and inviting recipients to express their interest in making a Qualified Bid, for distribution to potential bidders;
 - c) prepare a form of non-disclosure agreement (a “**NDA**”) to be executed by potential bidders;
 - d) provide potential bidders that have entered into an NDA, in form and substance satisfactory to the Receiver, and that the Receiver determines have the financial capability to consummate a Sale, with access to a virtual data room containing diligence information; and
 - e) request that potential bidders submit:
 - i. a letter of intent that identifies the potential bidder, provides a general description of the assets and/or business of the Debtors and District GP that would be the subject of the bid and that reflects a reasonable prospect of culminating in a Qualified Bid (as defined below), as determined by the Receiver (a “**LOI**”) by 5:00 p.m. Pacific Time on May 9, 2025 (the “**LOI Deadline**”); and
 - ii. if applicable, a binding offer meeting the requirements for a Qualified Bid by 5:00 p.m. Pacific Time on June 13, 2025 (the “**Final Bid Deadline**”).
2. If the Receiver does not receive any LOIs or any LOIs that, based on the Receiver’s assessment, are likely to result in the submission of a Qualified Bid, by the LOI Deadline or any Qualified Bid(s) (other than the Stalking Horse Bid) by the Final Bid Deadline, then the Stalking Horse Bid will be deemed to be the Successful Bid (as defined below).

4.3 Qualified Bid

1. To be a “**Qualified Bid**”, a bid must meet the requirements outlined in paragraph 20 of the Sale Procedure, including, among other things, that it:
- a) has been received by the Final Bid Deadline;
 - b) provides for the payment in full and in cash of at least:
 - i. the Purchase Price plus the Break Fee; and

- ii. a \$500,000 minimum bid increment (the “**Minimum Bid Increment**”),
which is estimated to be \$87.5 million (the “**Cash Consideration**”) in the aggregate (i.e., the sum of the Purchase Price, Break Fee, and Minimum Bid Increment);
- c) includes:
 - i. a duly executed purchase and sale agreement substantially in the form of the Stalking Horse APS and a blackline of the executed purchase and sale agreement to the Stalking Horse APS; and
 - ii. a letter stating that the Final Bid is irrevocable until there is a Successful Bid, provided that if such Qualified Bidder is selected as the Successful Bidder, its Final Bid shall remain an irrevocable offer until the earlier of: (1) the completion of the Sale to the Successful Bidder; and (2) the Outside Date;
- d) given the delivery of the New Disclosure Statement and Pre-Sale Purchaser Notice, it identifies the number of Pre-Sale Purchasers, if any, that are required to have executed an Addendum to Pre-Sale Contract and the number of Pre-Sale Contracts, if any, that must be in good standing, in each case, as of the closing date of the Sale;
- e) does not include any request for or entitlement to any expense reimbursement, termination fee, break fee or similar type of payment;
- f) provides for an assumption of liabilities and other economic terms that are at least as favourable in the aggregate as those in the Stalking Horse APS;
- g) is accompanied by a refundable deposit in the amount of 3.00% of the Cash Consideration;
- h) is not conditional upon the outcome of unperformed due diligence by the Qualified Bidder and/or obtaining financing; and
- i) contains evidence of authorization and approval from the Qualified Bidder’s board of directors (or comparable governing body), if applicable, and identifies each entity or person and representatives thereof who are authorized to appear and act on behalf of the Qualified Bidder for all purposes regarding the transaction.

2. The Stalking Horse Bidder shall be deemed to be a Qualified Bidder, and the Stalking Horse APS shall be deemed to be a Qualified Bid, for all purposes of the Sale Procedure, including for purposes of the Auction (as defined below), if applicable. If no Qualified Bids are submitted by the Final Bid Deadline, the Stalking Horse Bidder will be the Successful Bidder under the Sale Procedure.

4.4 Auction

1. If one or more Qualified Bids (other than the Stalking Horse Bid) are received by the Final Bid Deadline, the Receiver will proceed with an auction process to determine the Successful Bid(s) (the “**Auction**”). The Receiver will conduct the Auction in accordance with the following procedures, among others:
 - 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 Stalking Horse Bidder, must inform the Receiver whether it intends to participate in the Auction (the “**Auction Bidders**”);
 - b) prior to the Auction, the Receiver will provide unredacted copies of the Qualified Bid(s) that the Receiver believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the “**Starting Bid**”) to the Stalking Horse Bidder and to all Qualified Bidders that have made a Qualified Bid; and
 - c) 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 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 \$250,000, or such amount as may be determined by the Receiver prior to, and announced at, the Auction; and
 - d) At the end of the Auction, the Receiver will select the successful bid (the “**Successful Bid**”, with such bidder being the “**Successful Bidder**”).

4.5 Selection and Approval of a Successful Bid

1. 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 the 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 (the “**Backup Bid**”) open until the earlier of:
 - a) two (2) Business Days after the date of closing of the transaction contemplated by the Successful Bid; and
 - b) September 10, 2025.
2. Following the selection of the Successful Bid, the Receiver shall seek to finalize any remaining necessary definitive agreement(s) and seek an approval and vesting order approving the Successful Bid and the Backup Bid (if applicable) as follows:
 - a) if the Successful Bidder is the Stalking Horse Bidder, by no later than 15 Business Days following the selection of the Successful Bid(s); and
 - b) if the Successful Bidder is not the Stalking Horse Bidder, by no later than 45 calendar days following the selection of the Successful Bid(s). The extended time is to allow the Successful Bidder to complete the Pre-Sale Contract Addendum Process, if necessary.

4.6 Sale Procedure Recommendation

1. The Receiver recommends that this Court issue the proposed Sale Procedure Order approving the Sale Procedure for the following reasons:
 - a) the Sale Procedure presents the best option for maximizing the value of the Receivership Property available to the Debtors and District GP at this time, and is therefore in the best interests of the Debtors, District GP, and their respective stakeholders;
 - b) the proposed Sale Procedure was developed by the Receiver in consultation with the Stalking Horse Bidder, with a view to providing a flexible, efficient and fair process for canvassing the market for potential purchasers, and maximizing the value of the Property and District GP Property and recovery for the Debtors’ and District GP’s creditors;

- c) the Sale Procedure facilitates broad marketing of the Property and the District GP Property, ensuring the market is fully tested for the benefit of stakeholders;
- d) the Pre-Sale Contract Addendum Process outlined in the Sale Procedure is a critical factor for the viability of the District Project and likely, any bid received through the Sale Procedure. The Stalking Horse APS is, and any Successful Bid is expected to be, contingent upon obtaining sufficient Addendums to Pre-Sale Contracts to ensure the District Project's feasibility;
- e) while the Receiver expects, based on its considerable experience, that prospective purchasers will wish to pursue a reverse vesting transaction, the proposed Sale Procedure provides such purchasers with the flexibility to pursue conventional asset purchase transactions in addition to reverse vesting transactions;
- f) the Receiver is of the view that the timeline contemplated by the proposed Sale Procedure, including its use of two-phases and the Auction, is appropriate in the circumstances and will provide sufficient opportunity to solicit interest in a Sale from the relatively limited group of prospective purchasers capable of completing same, while preventing the undue accrual of material interest expense and other indebtedness;
- g) the Stalking Horse APS was negotiated fairly and at arm's length between the Receiver, the Stalking Horse Bidder, and their respective counsel, in consultation with KingSett, and sets a valuable and reasonable purchase price for bids in the proposed Sale Procedure that is expected to incentivize, rather than deter, the submission of competitive and potentially superior bids;
- h) stalking horse sale processes are a recognized mechanism in insolvency processes for maximizing stakeholder recovery;
- i) the proposed Sale Procedure ensures that the Receiver may comply with its obligations under REDMA and provides Pre-Sale Purchasers with additional notice and information concerning, among other things, the Stalking Horse Bidder and the Sale Procedure; and
- j) the proposed Sale Procedure is supported by KingSett, the Debtors' largest and senior secured creditor.

5.0 Stalking Horse APS⁶

1. The Stalking Horse APS was negotiated at arm's length between the Receiver and the Stalking Horse Bidder, in consultation with KingSett. The Stalking Horse Bidder is a member of the BM Group of Companies. The BM Group of Companies is a portfolio of construction, project management, material supply, and land development companies based out of Coquitlam, BC.
2. 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 "K"**.
3. The transaction contemplated under the Stalking Horse APS has been structured as a "reverse vesting" transaction (the "**Stalking Horse Transaction**") which provides, among other things, that:
 - a) the Stalking Horse Bidder will subscribe for:
 - i. a number of common shares in the capital of District GP, to be issued on Closing and which will, immediately following Closing, represent 100% of the equity interest in District GP (the "**Subscribed Shares**"); and
 - ii. a number of units in District LP, to be issued following Closing and which will, following Closing, represent 100% of the limited partnership interest in District LP (the "**New LP Units**", together with the Subscribed Shares, the "**Purchased Interests**"); and
 - b) all Excluded Assets, Claims, and Encumbrances other than the Retained Liabilities and Permitted Encumbrances will be transferred to, vested in and assumed by Residual Co. (as defined below).

⁶ Capitalized terms used but not otherwise defined in this section have the meaning ascribed to them in the Stalking Horse APS.

4. The key terms and conditions of the Stalking Horse APS are provided below:
- a) **Purchase Price:** \$86,000,000 (the “**Purchase Price**”), which is: (i) exclusive of any Sales Taxes; and (ii) inclusive of any transfer tax imposed on the Stalking Horse Bidder pursuant to the provisions of the *Property Transfer Tax Act*, R.S.B.C. 1996, c. 378, as amended, and/or any other applicable legislation.
 - b) **Payment of the Purchase Price:** a cash deposit of \$3,000,000 (the “**Deposit**”) (which was paid to the Receiver upon execution of the Stalking Horse APS), with the balance of the Purchase Price payable on the Closing Date.
 - c) **Purchased Interests:** the New LP Units and Subscribed Shares.
 - d) **Retained Assets:** includes the following assets of the Debtors and District GP: (i) the Property; (ii) Accounts Receivable; (iii) Books and Records; (iv) the Intellectual Property; (v) the Insurance Rights; (vi) the Retained Contracts; (vii) the Retained Pre-Sale Contracts; (viii) the Nominee Shares; (ix) the Bonds; and (x) all of the Debtors and District GP’s monies and cash prior to Closing, including any held in a cash collateral account, any amount held by the City of Surrey as security, and all cash held as collateral security for outstanding letters of credit or letters of guarantee, provided that, in each case, such monies and cash shall not include monies advanced pursuant to the Receiver’s borrowings, the Deposit or the Purchase Price.
 - e) **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.
 - f) **Material Conditions:** include, among other things, that:
 - i. the Receiver will have determined in accordance with the Sale Procedure that the Stalking Horse APS is the Successful Bid;
 - ii. on or before the Closing Date, the Amended and Restated Receivership Order, the Sale Procedure Order, and the Reverse Vesting Order shall have been granted by the Court and all such Orders will be Final Orders (the “**Court Approval Condition**”), provided that if the Reverse Vesting Order is not subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed;

- iii. on or before April 7, 2025, the Receiver shall file the New Disclosure Statement pursuant to REDMA and provide the Pre-Sale Purchasers with the New Disclosure Statement in compliance with REDMA;
- iv. on or before June 13, 2025, the Stalking Horse Bidder shall be satisfied that it will not be required to file a new disclosure statement for the District Project as a result of the Stalking Horse Transaction;
- v. on or before June 6, 2025, at least:
 - 1. that number of Pre-Sale Contracts that collectively have sale prices totaling \$420,000,000; or
 - 2. that number of Pre-Sale Purchasers whose Pre-Sale Contracts which collectively have deposits totaling \$63,000,000 (not including any accrued interest),have executed and delivered to the Receiver an Addendum to Pre-Sale Contract and not exercised the right of rescission under REDMA;
- vi. on or before the Closing Date, the Stalking Horse Bidder has obtained a firm financing commitment from KingSett for the Purchased Interests on terms satisfactory to the Stalking Horse Bidder;
- vii. as at the Closing Date, either at least:
 - 1. that number of Pre-Sale Contracts that collectively have sale prices totaling \$420,000,000; or
 - 2. that number of Pre-Sale Purchasers whose Pre-Sale Contracts which collectively have deposits totaling \$63,000,000 (not including any accrued interest),are all in good standing and in full force and effect, as amended by the Addendum to Pre-Sale Contract; and
- viii. no Applicable Law or Order will be in effect that restrains or prohibits consummation of the Stalking Horse Transaction or Closing.

- g) **Transfers to Residual Co.:** on the Closing Date, all Excluded Assets, Claims, and Encumbrances, other than the Retained Liabilities and Permitted Encumbrances, will be transferred to and assumed in full by a corporation to be incorporated by the Receiver, either of the Debtors or District GP (“**Residual Co.**”).
- h) **Closing Date:** 10 Business Days following satisfaction of the Court Approval Condition, subject to extension once each by the Receiver and the Stalking Horse Bidder for up to 10 Business Days.
- i) **Outside Date:** September 10, 2025 (the “**Outside Date**”).
- j) **Termination:** the Stalking Horse APS can be terminated in the following circumstances, among others:
 - i. by mutual written consent of the Receiver and the Stalking Horse Bidder;
 - ii. if the Sale Procedure Order or the Amended and Restated Receivership Order are not granted by the Outside Date;
 - iii. if the Successful Bid selected by the Receiver is not the Stalking Horse Bid and the Stalking Horse Bid is not the Backup Bid;
 - iv. if the Stalking Horse Bid is the Backup Bid and the Successful Bid closes; or
 - v. if Closing has not taken place by the Outside Date, provided the reason for the Closing not having occurred is not due to any act or omission, or breach of the Stalking Horse APS, by the Party proposing to terminate it.

5.1 Break Fee

1. The Stalking Horse APS provides for payment of a \$1 million Break Fee, representing approximately 1.16% of the Purchase Price, if:
 - a) the Successful Bid selected by the Receiver is not the Stalking Horse Bid and the Stalking Horse Bid is not the Backup Bid; or
 - b) the Stalking Horse Bid is the Backup Bid and the Successful Bid closes.
2. The Break Fee is intended to compensate the Stalking Horse Bidder for the risks and opportunity costs associated, and time and costs incurred in connection, with its submission of the Stalking Horse Bid, and its agreement to act as the Stalking Horse Bidder.

3. The Receiver conducted a comparative analysis of the Break Fee against other bid protections approved by Canadian courts in insolvency proceedings initiated between 2021 and 2024. The comparison is attached as **Appendix “L”**. As outlined in the attached summary, bid protections in the context of sale processes are generally between 1% to 5% of the purchase price, and the Break Fee, in this case, represents approximately 1.16% of the Purchase Price. Based on this analysis, the Receiver is of the view that the Break Fee is below the general range of reasonable bid protections in comparable insolvency proceedings.

5.2 Stalking Horse APS Recommendation

1. The Receiver recommends that the Court issue the Sale Procedure Order approving the Stalking Horse APS for the following reasons:
 - a) the Stalking Horse APS is the product of approximately 5 weeks of arm’s length negotiations among the Receiver, the Stalking Horse Bidder, and their respective counsel, in consultation with KingSett, during which time the Receiver remained open to considering (though received only one) alternative offers;
 - b) the Stalking Horse APS sets a valuable and competitive purchase price for bids in the proposed Sale Procedure and provides a reasonable transaction structure upon which all other Qualified Bids may be based, while providing a means of preserving the Pre-Sale Contracts, completing the District Project, and repaying the KingSett Indebtedness, in substantial part, and the Debtors’ indebtedness in priority thereto;
 - c) Rennie has advised the Receiver that the Purchase Price contemplated by the Stalking Horse APS represents a reasonable value for the District Project and is expected to promote the submission of competitive bids in the Sale Procedure and thereby maximize value for the Debtors and their stakeholders;
 - d) the Stalking Horse APS gives the Pre-Sale Purchasers comfort that a reputable builder will complete the District Project, which may result in the Pre-Sale Purchasers agreeing to execute the Addendum to Pre-Sale Contract. The Receiver and KingSett believe that conducting the Pre-Sale Contract Addendum Process, anchored by the Stalking-Horse APS, presents the best means of completing the District Project and maximizing value for the Debtors’ stakeholders;

- e) the Receiver believes that the consideration provided under the Stalking Horse APS and the Break Fee are fair and reasonable, having regard to the substantial benefits of having a Stalking Horse Bid capable of assuring the completion of the District Project and the satisfaction of the Debtors' obligations under the Pre-Sale Contracts;
- f) following arm's length negotiations between the Receiver and the Stalking Horse Bidder, in consultation with KingSett, the Stalking Horse Bidder agreed to forego a separate expense reimbursement and to a reduced Break Fee representing 1.16% of the Purchase Price;
- g) given its reasonable quantum, the Break Fee is not expected to have a chilling effect on the proposed Sale Procedure and will fairly compensate the Stalking Horse Bidder for the risks and opportunity costs associated, and time and costs incurred in connection, with its submission of the Stalking Horse Bid in the Sale Procedure in the event the Stalking Horse Bid is not the Successful Bid; and
- h) KingSett, the Debtors' senior secured creditor, who is likely to incur a shortfall on the KingSett Indebtedness, supports the approval of the Stalking Horse APS for the purposes of acting as the Stalking Horse Bid in the Sale Procedure and the Break Fee, and believes that the Purchase Price is appropriate in the circumstances.

6.0 Other Activities of the Receiver

1. In addition to the items discussed above, since the First Report, the Receiver has performed the following key activities:
 - a) corresponding extensively with the Debtors, including representatives of Third, to obtain information regarding the Debtors and the District Project;
 - b) corresponding with KingSett and its counsel, Osler Hoskin & Harcourt LLP, regarding all aspects of these proceedings;
 - c) engaging in extensive correspondence with the following parties regarding the necessary steps and costs required to obtain the building permit for the District Project:
 - i. the Debtors;
 - ii. KingSett;

- iii. the City of Surrey;
 - iv. South Coast British Columbia Transportation Authority; and
 - v. the various professionals involved in the District Project;
-
- d) attending to various matters with respect to the requirements under REDMA, including, among other things, corresponding with the BCFSA regarding the filing of the New Disclosure Statement and the obligations of the Receiver, the Debtors and District GP under REDMA;
 - e) negotiating, reviewing, and entering into the Stalking Horse APS with support from Bennett Jones;
 - f) engaging in extensive correspondence with various Pre-Sale Purchasers regarding their Deposits, the status of the District Project, and the status of these proceedings;
 - g) corresponding with the Canada Revenue Agency with respect to tax accounts and remittances;
 - h) working with Bennett Jones to prepare the application materials in respect of the relief to be sought by the Receiver;
 - i) establishing and maintaining the Case Website; and
 - j) preparing this Second Report.

7.0 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 of this Second Report.

* * *

All of which is respectfully submitted,

KSV RESTRUCTURING INC.,
solely in its capacity as Court-appointed receiver of
District Northwest Limited Partnership and
105 University View Homes Ltd., and not
in its personal or corporate capacity

Per: 
Managing Director

APPENDIX A
[ATTACHED]

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

NOV 08 2024

ENTERED



No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND

**DISTRICT NORTHWEST LIMITED PARTNERSHIP
AND
105 UNIVERSITY VIEW HOMES LTD.**

RESPONDENTS

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

**IN THE MATTER OF THE RECEIVERSHIP OF
DISTRICT NORTHWEST LIMITED PARTNERSHIP
AND 105 UNIVERSITY VIEW HOMES LTD.**

ORDER MADE AFTER APPLICATION

BEFORE } THE HONOURABLE JUSTICE MASUHARA } 2024/11/08

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 property located at LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667 (the "**Lands**") and all right, title and interest of 105 University View Homes Ltd. (the "**Nominee**") and District Northwest

Limited Partnership (the “LP”, together with the Nominee, the “Debtors”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including all proceeds, coming on for hearing this day at 800 Smithe Street, Vancouver, British Columbia.

AND ON READING Affidavit #1 of Daniel Pollack made October 9, 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 the Lands and all right, title and interest of the Nominee in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands (together with the Lands, the “Property”), including all proceeds.

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) on or after January 18, 2025, 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) on or after January 18, 2025, 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) on or after January 18, 2025, 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/dnw> (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. Endorsement of this Order by counsel appearing on this application other than the Petitioner is dispensed with.


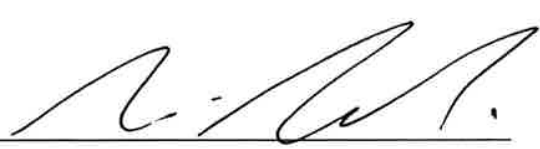
THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

Lucas
Hodgson
for:



Signature of Emma Newbery, lawyer for the
Petitioner

BY THE COURT

DISTRICT REGISTRAR



SCHEDULE "A"
Appearance List

NAME	APPEARING FOR
Emma Newbery Lucas Hodgson	KingSett Mortgage Corporation
David Gruber	KSV Restructuring Inc.
Richard Pearce	R.A.R. Consultants Ltd. Garmeco Canada Consultants Ltd. IHI Developments Ltd. IHI Holdings Ltd.
Dan Nugent Ryan Shaw	District Northwest Limited Partnership 105 University View Homes Ltd.

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____
AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the Receiver (the "Receiver") of all of right, title and interest of DISTRICT NORTHWEST LIMITED PARTNERSHIP and 105 UNIVERSITY VIEW HOMES LTD. in all presently owned or held personal property of whatsoever nature and kind pertaining to the property located at LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667 (the "Property"), (collectively, the "Property"), including all proceeds, appointed by Order of the Supreme Court of British Columbia (the "Court") dated the _____ day of _____, 2024 (the "Order") made in SCBC Action No. _____, Vancouver Registry has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the legal office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the [REDACTED] day of [REDACTED], 2024.

KSV Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per:
Name:
Title:

SCHEDULE "C"

Demand for Notice

TO: KingSett Mortgage Corporation
c/o Osler, Hoskin & Harcourt LLP
Attention: Mary Buttery, K.C., Emma Newbery, Lucas Hodgson
Email: buttery@osler.com, enewbery@osler.com, lhodgson@osler.com

AND TO: KSV Restructuring Inc.
c/o Bennett Jones LLP
Attention: Sean Zweig, David Gruber and Andrew Froh
Email: zweigs@bennettjones.com, gruberd@bennettjones.com,
froha@bennettjones.com

Re: In the matter of the Receivership of DISTRICT NORTHWEST LIMITED PARTNERSHIP and 105 UNIVERSITY VIEW HOMES LTD.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By facsimile, at the following facsimile number (or numbers):

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

APPENDIX B

[ATTACHED]

DISTRICT NW
CONTRACT OF PURCHASE AND SALE

BETWEEN:

DISTRICT NORTHWEST LIMITED PARTNERSHIP (the "**Developer**" and the "**Vendor**")

AND:

Purchaser(s):

Name(s): _____

Address(es): _____

Tel: _____ Tel: _____

Email: _____ Email: _____

Country of _____ Country of _____

Residence: _____ Residence: _____

(For the purposes of the *Income Tax Act* (Canada))

(Such one or more parties being hereinafter referred to as the "**Purchaser**").

The Purchaser certifies to the Vendor that:

- a) he/she/they is/are a non-resident of Canada under the Income Tax Act (Canada) (Y/N) ____; and
- b) he/she/they is/are a Canadian Citizen or a Permanent Resident (as defined in the Immigration and Refugee Protection Act (Canada)) (Y/N) ____ . If "no" country of citizenship & residency: _____

PROPERTY:

Proposed Strata Lot ____, being Unit No. _____ (the "**Strata Lot**") in the development known as "DISTRICT NW" (the "**Development**"), as more specifically described in the proposed strata plan (the "**Preliminary Strata Plan**") attached to the Disclosure Statement, to be constructed as part of a 1023 unit residential phased strata development project on the lands located at 10508, 10520 University Drive, 13438 105A Avenue, 13433 105 Avenue, and 10535 134A Street, Surrey BC and legally described as in Schedule "1" attached hereto (collectively, the "**Lands**"), as further described in the Disclosure Statement filed by the Vendor on December 23, 2021 (the "**Initial Disclosure Statement**") and all amendments thereto (the "**Amendments**") (the Initial Disclosure Statement and the Amendments are hereinafter collectively called the "**Disclosure Statement**"). The Lands are held in trust for the Vendor by 105 University View Homes Ltd. (the "**Registered Owner**"). The Registered Owner has agreed or will agree to execute a direct transfer of the title to the Strata Lot to the Purchaser from the Vendor. The Purchaser acknowledges that the strata lot number for the Strata Lot will only be determined by the Vendor's surveyor upon preparation of the final strata plan (the "**Final Strata Plan**") to be submitted to the Land Title Office for the phase of the Development in which the Strata Lot is located (the "**Phase**"). The Purchaser acknowledges that the Development forms a part of a larger mixed-use project that will include a daycare.

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INITIALS

PURCHASE PRICE: The Purchase Price for the Strata Lot will be:

(\$ _____) DOLLARS. The Purchase Price excludes any Goods and Services Tax ("GST").

1. **Offer.** In consideration of the sum of ONE (\$1.00) DOLLAR and other good and valuable consideration now paid by each of the parties to the other (the receipt and sufficiency of which is hereby acknowledged) and other mutual covenants and agreements contained in this Contract, the Purchaser agrees to purchase the Strata Lot from the Vendor for the Purchase Price and upon the terms set forth herein subject to the Permitted Encumbrances (as hereinafter defined). The Purchaser acknowledges that the Purchaser is purchasing a strata lot which is to be constructed or is presently under construction.

The Purchase Price does not include the exclusive use of any parking stall(s) or storage locker(s) at the Development unless expressly set out in an addendum hereto. In the event the Purchaser purchases the exclusive use of a parking stall(s) and/or storage locker(s), the location of the parking stall(s) and/or storage locker(s) will be designated by the Vendor in accordance with the Disclosure Statement. The Purchaser acknowledges and agrees that the parking stall(s) and/or storage locker(s): (a) will vary in size, shape, convenience and location (including, notwithstanding any other amended or written agreement made between the parties to the contrary, and where more than one, may not be side by side); and (b) may be partially obstructed by columns, pipes, ducts, mechanical equipment, electrical equipment and other facilities. The Purchaser further acknowledges and agrees that the final determination of parking stall(s) and/or storage locker(s) assigned to a Purchaser shall be by the Vendor with no recovery by the Purchaser. The Purchaser will accept the parking stall(s) and/or storage locker(s) if any, assigned or sold to the Purchaser by the Vendor on an "as is, where is" basis and will have no claim against the Vendor in respect of any variation in the size, shape, convenience of location or obstruction of such parking stall(s) and/or storage locker(s).

2. **Deposit.** The Purchaser will pay a deposit(s) by bank draft or certified cheque (collectively, the "Deposit") to Richards Buell Sutton LLP (the "Vendor's Solicitors") in trust as stakeholder and the Deposit will be held in accordance with the *Real Estate Development Marketing Act* as follows:

(a) a deposit (the " Initial Deposit ") of \$10,000 upon presentation of this Contract by the Purchaser, payable by way of certified cheque, or bank draft;	\$10,000.00
(b) a further deposit (the " Second Deposit ") of 10% of the Purchase Price (less the Initial Deposit), payable 7 days after acceptance of this Contract by the Vendor, payable by way of certified cheque, or bank draft;	\$ _____
(c) a further deposit (the " Third Deposit ") of 5% of the Purchase Price, payable on the day that is 6 months from the date of acceptance of this Contract by the Vendor; payable by way of certified cheque, or bank draft;	\$ _____
(d) a further deposit (the " Fourth Deposit ") of 5% of the Purchase Price, payable 3 months following the date the Third Deposit becomes due, payable by way of certified cheque, or bank draft;	\$ _____
the balance of the Purchase Price, subject to adjustments, to be paid on the Completion Date by bank draft or certified cheque.	

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SL: ____ Unit: ____

Interest on the Deposit will, in all cases, be for the benefit of the Vendor and will not be applied on account of the Purchase Price. If the Purchaser defaults in the Purchaser's obligations hereunder, the Vendor may, at its option, retain the Deposit and interest thereon without prejudice to any other remedy, which the Vendor may have in respect of the Purchaser's default in accordance with the terms of this Contract.

3. **Completion, Possession and Adjustment Dates.** It is currently estimated that the completion of the Strata Lot will occur between March 1, 2027 and June 1, 2027. For more information about the Completion, Possession and Adjustment Dates, see the Disclosure Statement and Addendum "A" attached hereto.

4. **Furnishings.** The Purchase Price includes the following items unless otherwise noted in the Disclosure Statement:

(a) fridge	(d) electric stove	(g) oven
(b) a hood fan	(e) microwave	(h) dishwasher
(c) window coverings	(f) washer and a dryer	

Fixtures and features as represented in the Disclosure Statement will also be included, provided that the Vendor may substitute materials of reasonably equivalent or better quality, in its discretion. Presentation centre or display suite decorator features, fixtures, wall treatments, finishings, fittings, dining light fixtures and furnishings are not included in the Purchase Price unless expressly set out in an Addendum hereto.

5. **Acceptance.** This Contract will be open for acceptance until _____, 202__ and upon acceptance by the Vendor signing a copy of this Contract, there will be a binding agreement of sale and purchase in respect of the Strata Lot for the Purchase Price, on the terms and subject to the conditions set out herein.

THE TERMS AND CONDITIONS ATTACHED HERETO AS ADDENDUM "A" ARE PART OF THIS CONTRACT. READ THEM CAREFULLY BEFORE YOU SIGN.

THE PURCHASER HAS EXECUTED THIS CONTRACT THIS _____ DAY OF _____, 202__.

(Witness) (Purchaser) (Name of Purchaser)

(Witness) (Purchaser) (Name of Purchaser)

THE PURCHASER'S OFFER TO PURCHASE CONTAINED HEREIN IS ACCEPTED BY THE VENDOR THIS _____ DAY OF _____, 202__.

DISTRICT NORTHWEST LIMITED PARTNERSHIP by its General Partner, **SURREY CENTRE DISTRICT NW GP LTD.**
Per:

Authorized Signatory

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INITIALS

Addendum "A"

1.0 AGREEMENT

1.1 Once this Contract is accepted by the Vendor, the Purchaser agrees to purchase from the Vendor the Strata Lot at the Purchase Price and upon the terms set forth in the agreement created by the acceptance of this Contract by the Vendor, this Addendum and all additional addendums and schedules. Title to the Strata Lot on the Completion Date (as hereinafter defined) shall be subject only to:

- (a) the exceptions listed in Section 23(1) of the *Land Title Act*;
- (b) the charges and encumbrances referred to in the Disclosure Statement; and
- (c) claims of builders liens or other encumbrances where the Vendor's Solicitors have undertaken to remove same pursuant to paragraph 7.1 hereof;

(collectively, the "**Permitted Encumbrances**").

The Purchaser agrees to execute any and all agreements as may be required pursuant to the terms and conditions of the Permitted Encumbrances confirming the Purchaser acknowledges and assumes obligations under the Permitted Encumbrances.

2.0 DESCRIPTION OF STRATA LOT

2.1 The Strata Lot is part of the Development which is situated on the Lands as shown on the proposed strata plan attached to the Disclosure Statement, and as more particularly described in the Disclosure Statement.

3.0 PURCHASER'S ACKNOWLEDGEMENTS

3.1 Disclosure Statement. The Purchaser acknowledges that the Purchaser has received copies of the Initial Disclosure Statement for the Development and all Amendments, and has been given a reasonable opportunity to read the Initial Disclosure Statement and all Amendments before signing this Contract. The signing of this Contract by the Purchaser will constitute:

- (a) a receipt for the Initial Disclosure Statement and all Amendments; and
- (b) the Purchaser's acknowledgment that the Purchaser had an opportunity to read the Initial Disclosure Statement and all Amendments before signing this Contract.

3.2 Consent to Electronic Delivery of Disclosure Statement and all Amendments. Where the Purchaser has on the first page of this Contract, or on any subsequent addendum to this Contract provided an email address, the Purchaser consents to the Vendor delivering the Disclosure Statement (including all Amendments) to the Purchaser at the email address provided and the Purchaser acknowledges and agrees that such email delivery of the Disclosure Statement (including all Amendments) has afforded the Purchaser a reasonable opportunity to read the Disclosure Statement (including all Amendments) all as at the time of the Vendor's delivery of the email as shown by the Vendor's copy of the sent email.

Initials	

4.0 PURCHASE PRICE, DEPOSIT AND PAYMENT

4.1 Payment of the Purchase Price. The Purchaser will pay the Purchase Price to the Vendor as follows:

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Addendum "A"

- (a) The Deposit in the amount set out in paragraph 2 of the Contract shall be paid by the Purchaser to the Vendor's Solicitors, Richards Buell Sutton LLP in Trust by way of certified cheque or bank draft. The Vendor shall be entitled, but not obligated, to invest the Deposit in an interest bearing trust account with a Canadian chartered bank, trust company or credit union with interest to accrue to the credit of the Vendor, except as otherwise expressly provided herein. Notwithstanding the foregoing, the Vendor may, at its sole option, wait to forward the Initial Deposit to the Vendor's Solicitors until the rescission period pursuant to the *Real Estate Development Marketing Act* has passed and the Purchaser has not rescinded this Agreement by such time; and
- (b) The Balance of the Purchase Price plus or minus adjustments shall be paid by the Purchaser to the Vendor's Solicitors on the Completion Date by way of certified cheque or bank draft.

4.2 Handling of the Deposit. Subject to paragraphs 4.4 and 4.5 hereof, the Deposit shall be dealt with as follows:

- (a) If the Purchaser completes the purchase of the Strata Lot on the terms and conditions herein contained, then the Deposit shall form part of and be applied to the Purchase Price and be paid by the Vendor's Solicitors to the Vendor. Any interest earned thereon shall be paid to the Vendor;
- (b) If the Purchaser fails to complete the purchase of the Strata Lot or fails to pay any part of the Deposit on the terms and conditions herein contained, then the Deposit paid together with interest accrued thereon shall be paid by the Vendor's Solicitors to the Vendor forthwith;
- (c) If the Contract is terminated pursuant to paragraph 5.1 or if the Purchaser fails to provide notice of waiver or satisfaction of the Purchaser's conditions pursuant to paragraph 9.2 hereof, then the Deposit together with all interest accrued thereon shall be paid by the Vendor's Solicitors to the Purchaser and the Purchaser shall have no further claims against the Vendor; and
- (d) If the Vendor fails to complete the sale of the Strata Lot on the terms and conditions herein contained, then the Deposit together with all accrued interest thereon shall be paid by the Vendor's Solicitors to the Purchaser and the Purchaser shall have no further claims against the Vendor.

Notwithstanding the aforementioned, the Purchaser acknowledges and agrees that the Vendor's Solicitors will be permitted to charge and deduct and retain a deposit administration fee from each payment made by the Purchaser comprising the Deposit of not more than \$75.00 plus applicable taxes to be paid by the Purchaser, and that any payment made by the Purchaser that is returned for non-sufficient funds will be subject to a service charge of \$25.00 in each such instance.

4.3 Residency. Notwithstanding the provisions of paragraph 4.2 hereof, if the Purchaser is a non-resident of Canada as defined under the *Income Tax Act* (Canada), the Purchaser authorizes the Vendor's Solicitors to remit directly to the Receiver General for Canada such non-resident withholding tax in respect of interest earned on the Deposit as may be required by the *Income Tax Act* (Canada).

4.4 Authorization to Deal with Deposit. The Vendor and the Purchaser hereby irrevocably authorize the Vendor's Solicitors:

- (a) to deal with the Deposit and all interest earned thereon in accordance with the provisions hereof, notwithstanding the provisions of Section 18 of the *Real Estate Development Marketing Act*; and

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Addendum "A"

- (b) to interplead the Deposit and all interest thereon, at the expense of the party ultimately determined to be entitled to such funds, should any dispute arise regarding the obligations of the Vendor's Solicitors with respect to the Deposit.

4.5 Deposit Protection Agreement Under REDMA. Under Section 19 of the *Real Estate Development Marketing Act*, a developer who desires to use for the developer's own purposes a deposit the developer has placed with a trustee under Section 18 of the *Real Estate Development Marketing Act* may, by entering into a deposit protection agreement in relation to that deposit, obtain the deposit from that trustee and use that deposit only for the developer's own purposes. Section 10 of the *Real Estate Development Marketing Regulation* provides that if a developer enters into a deposit protection agreement, the developer must provide notice of the deposit protection agreement to a purchaser by including the following information in the disclosure statement:

- (a) the name and business address of the insurer;
- (b) the name of the developer who entered into the deposit protection agreement; and
- (c) the date on which the insurance takes effect.

The Purchaser acknowledges and agrees that the Vendor may enter into such a deposit protection agreement with respect to the Deposit. The Vendor agrees that if it enters into such a deposit protection agreement with respect to the Deposit, it will comply with Section 10 of the *Real Estate Development Marketing Regulation* regarding that deposit protection agreement.

For further terms regarding deposit insurance please see Section 8.3 hereof and Section 7.1 of the Disclosure Statement.

4.6 Builders Liens. That portion, if any, of the Purchase Price required by law to be held back by the Purchaser in respect of builder's lien claims (the "**Lien Holdback**") will be paid on the Completion Date to the Vendor's Solicitors. The Lien Holdback will be held in trust by the Vendor's Solicitors pursuant to the *Strata Property Act* and *Builders Lien Act* (or successor statutes) solely in respect of lien claims registered in the applicable land title office in connection with work done at the request of the Vendor. The Vendor's Solicitors are authorized to invest the Lien Holdback in an interest bearing trust account and to pay to the Vendor the Lien Holdback plus interest, if any, accrued thereon as permitted by law; which payment will occur upon expiration of the period during which the Lien Holdback must be retained pursuant to the *Strata Property Act* and the *Builders Lien Act* (the "**Lien Holdback Period**"), less the amount of any builder's lien claims filed against the Strata Lot of which the Purchaser or the Purchaser's solicitor or notary public notifies the Vendor's Solicitor in writing by 4:00 p.m. on the last day of the Lien Holdback Period. The Purchaser hereby authorizes the Vendor to bring any legal proceedings required to clear title to the Strata Lot of any lien claims filed with respect to the Strata Lot, including payment of the whole or any part of the Lien Holdback into Court if desired by the Vendor.

5.0 COMPLETION, POSSESSION AND ADJUSTMENT DATES

5.1 Completion Date. The completion of the purchase and sale of the Strata Lot shall take place on the date (the "**Completion Date**") specified by the Vendor in a notice delivered to the Purchaser or the Purchaser's Solicitor stating that the Strata Lot is, or is expected to be "Ready to be Occupied" and that the title to the Strata Lot has or is expected to have been issued by the Land Title Office, provided that the Vendor or the Vendor's Solicitor will give not less than 14 days' notice thereof and provided further that if the Land Title Office is not open for business on such day, then the Completion Date shall be the next business day. "Ready to be Occupied" refers to the Strata Lot only and not to any other strata lot or the common property within the Development and the Strata Lot will be deemed to be "Ready to be Occupied" if the City of Surrey has issued an occupancy permit to occupy the Strata Lot (the "**Occupancy Permit**"), whether such permit is

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Addendum "A"

conditional or unconditional. In the event the Occupancy Permit is a conditional permit issued by the City of Surrey, the Vendor will provide the Purchaser with an unconditional Occupancy Permit for the Strata Lot or the Development as soon as is reasonably practical. If the Completion Date has not occurred on or before December 31, 2027 (the "**Outside Date**"), and the parties have not agreed to an extension, this Contract shall be terminated whereupon the Purchaser will be entitled to repayment by the Vendor of the Deposit together with any interest earned thereon as the Purchaser's sole remedy and the parties will thereafter have no further obligations, liabilities or commitments to, from or against one another provided that:

- (a) If paragraph 5.3 hereof is applicable then the Outside Date will be extended for a period equivalent to such delay, which period will be determined solely by the Vendor;
- (b) The Vendor may, at its sole option, exercisable by notice to the Purchaser, in addition to any other extension pursuant to this Section 5.0, and whether or not any delay described in this Section 5.0 has occurred, elect to extend the Outside Date for up to 250 days; and
- (c) Where the Vendor has extended the Outside Date for the full time set out in subsection (b) above and provided the Vendor is still actively carrying on construction of the Development the Vendor may, at its sole option, provide notice to the Purchaser that it has elected to extend the Outside Date for up to a further 110 days.

5.2 Notice of Completion Date. The notice of the Completion Date delivered to the Purchaser or the Purchaser's Solicitors may be based on the Vendor's estimate as to when the Strata Lot will be "Ready to be Occupied" and when the title to the Strata Lot will be issued by the Land Title Office, and if the Strata Lot is not "Ready to be Occupied" or if the title is not issued by the Land Title Office on or before the Completion Date so estimated, then the Vendor may extend the Completion Date from time to time as required by the Vendor until the Strata Lot is "Ready to be Occupied" and the title is to be issued in the Land Title Office, by notice of such extension to the Purchaser or the Purchaser's Solicitors, from time to time.

5.3 Force Majeure. If the Vendor is delayed from completing construction of the Strata Lot as a result of an event or circumstance of any nature or kind whatsoever beyond the reasonable control of the Vendor (including, without limitation, epidemic, pandemic, outbreak, disease or other public health emergency (including, for greater certainty, SARS-CoV-2, COVID-19 or any other widespread contagious infection, disease or illness, regardless of whether any particular governmental or health authority deems same to be an epidemic, pandemic, outbreak, disease or other public health emergency, and including any quarantine or other public health order relating to any of the foregoing), earthquake, flood or other acts of God, fire, explosion or accident, howsoever caused, acts or orders of any governmental authority, acts of war (including, without limitation, cyber-war), terrorism, riot, civil disorder, insurrection, rebellion or revolution, strike, lockout, inability to obtain or delay in obtaining labour, supplies, materials or equipment, delay or failure by carriers or contractors, breakage or other casualty, climatic condition, interference of the Purchaser or inability to obtain permits or other approvals in a timely manner by any governmental authority (including, without limitation, the City)), then the time within which the Vendor must do anything hereunder and the Completion Date referred to in paragraph 5.1 will be extended for a period equivalent to such period of delay which period will be determined solely by the Vendor.

5.4 Adjustments. The Purchaser will assume and pay all taxes, rates, local improvement assessments, utilities and other charges, and all other adjustments both incoming and outgoing of whatever nature in respect of the Strata Lot shall be made, as of the Completion Date. The Purchaser shall pay GST in accordance with paragraph 5.7 below. If the amount of any such taxes, utilities or other items have been levied in respect of the Lands prior to registration of the strata plan, the portion thereof which shall be allocated to the Strata Lot will be in proportion to

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the unit entitlement the Strata Lot bears to the aggregate of the unit entitlement for all strata lots in the Development.

- 5.5 Possession. Provided the Vendor's Solicitors have received the balance of the Purchase Price and all other amounts payable by the Purchaser to the Vendor in respect of the Strata Lot on the Completion Date, the Purchaser shall have vacant possession of the Strata Lot at 12:00 pm on the second business day following the Completion Date (the "**Possession Date**").
- 5.6 Risk. The Strata Lot will be and remain at the risk of the Vendor until 12:01 a.m. on the Completion Date, after which time it will be at the risk of the Purchaser.
- 5.7 GST. The Purchaser will pay all costs in connection with the sale and purchase of the Strata Lot (including property transfer tax and any applicable taxes, including GST, and any other federal or provincial sales, service, transition, value added or other tax required to be paid by the Purchaser in connection with the purchase and sale of the Strata Lot), other than the costs the Vendor incurred in clearing title to the Strata Lot. The Purchaser acknowledges that GST and provincial sales taxes are, without duplication, applicable to the sale and purchase of the Strata Lot and will be payable by the Purchaser. The Purchaser acknowledges and agrees that the Purchase Price is exclusive of all applicable taxes, including GST, and any other federal or provincial sales, service, value added or other tax or new housing rebate, which for greater clarity are not included in the Purchase Price.

6.0 CONSTRUCTION

- 6.1 Construction. The Vendor will proceed to construct the Phase of the Development substantially in accordance with the proposed draft strata plan attached to the Disclosure Statement, provided that the Vendor may make changes to features, design, and materials as are, in the Vendor's opinion, desirable and reasonable. The Purchaser understands and agrees that the building plans, design, and specifications for the Development may be varied to a minor extent in the reasonable discretion of the Vendor, that the area of the Strata Lot shown on the proposed strata plan is approximate, and that the address or suite and Strata Lot number assigned to the Strata Lot are subject to change at the Vendor's discretion. The Purchaser also acknowledges and agrees that any materials used in finishing of the Strata Lot, including, without limitation, natural stone, ceramic, porcelain, wood and laminates, may have conspicuous variations in colour, grain, vein and texture, pattern and size and any such variations are merely characteristic of the respective materials and will not be considered as defects or deficiencies in the Strata Lot and that certain materials used in the finishing of the Strata Lot may be subject to staining or changed coloration over time.
- 6.2 Measurement. The Purchaser acknowledges and agrees with the Vendor that if the area of the Strata Lot shown on the Final Strata Plan varies by more than five (5%) percent from the area shown on the Preliminary Plan as at the date of this Contract, the Purchase Price shall be amended by multiplying the Purchase Price by the area of the Strata Lot shown on the Final Strata Plan and dividing the product by the area of the Strata Lot shown on the Preliminary Plan. In the event that the actual area of the Strata Lot shown on the Final Strata Plan varies by five (5%) percent or less from the area shown on the Preliminary Plan, there shall be no adjustment to the Purchase Price. The Purchaser acknowledges and agrees that the Purchaser will have no claim against the Vendor as a result of a change in area of the Strata Lot other than for the adjustment to the Purchase Price as aforesaid.
- 6.3 Access. The Purchaser acknowledges and agrees that the Purchaser will not be entitled to have access to the Strata Lot prior to the Possession Date without the prior written permission of the Vendor (which the Vendor may withhold in its absolute discretion) and then only if accompanied by a representative of the Vendor, subject to paragraph 6.4. The Purchaser hereby releases the Vendor and its directors, officers, shareholders, unit holders, employees, agents, contractors and representatives (collectively, the "**Released Parties**") from and against any loss, cost, damage,

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injury or death resulting from any act or omission of any one or more of the Released Parties, including that arising from the negligence of any one or more of the Released Parties, or any condition within the Strata Lot or the Development and agrees to indemnify and hold harmless the Released Parties from and against any loss, cost, damage, injury or death resulting from the presence of the Purchaser or any person on behalf of the Purchaser within the Strata Lot or the Development, or any act or omission negligent or otherwise of the Purchaser or any person on behalf of the Purchaser while within the Strata Lot or the Development. The Purchaser hereby acknowledges and the Vendor hereby confirms that the Vendor has acted as agent for and on behalf of the other Released Parties with respect to obtaining the foregoing release and indemnity from the Purchaser for the benefit of such Released Parties.

- 6.4 Inspection. The Purchaser and a representative of the Vendor shall inspect the Strata Lot at a reasonable time designated by the Vendor prior to the Completion Date. If the Purchaser fails or refuses to inspect the Strata Lot at the time designated by the Vendor the Purchaser is deemed to have waived or forfeited any such right and is deemed to be satisfied with and have accepted the physical condition of the Strata Lot. At the conclusion of such inspection, a conclusive list of any defects or deficiencies (collectively, the "**Deficiencies**") shall be prepared that are to be rectified by the Vendor including the estimated dates and timeframes by which such corrections are to occur. The parties shall sign the list of Deficiencies and the Purchaser shall be deemed to have accepted the physical condition of the Strata Lot subject only to the Deficiencies. The Purchaser covenants and agrees to complete the purchase of the Strata Lot on the Completion Date on the terms and conditions herein contained notwithstanding that the Deficiencies may be rectified after the Completion Date. The Purchaser is not entitled to holdback any amount of the Purchase Price on closing in respect of the Deficiencies or other deficiencies. In the event of a disagreement between the Purchaser and the Vendor as to what constitutes a defect or deficiency, or whether or not a defect or deficiency has been rectified, the decision of the architect for the Development or any replacement therefor appointed by the Vendor in the Vendor's sole discretion will be conclusive, final and binding on the parties. Following the Completion Date, the Purchaser agrees to provide the Vendor and its representatives, contractors and agents with access to the Strata Lot at all reasonable times on reasonable notice from the Vendor in order for the Vendor or its representatives, contractors or agents to rectify any outstanding Deficiencies, and the Purchaser will in no manner interfere with or impede any such person while he or she is carrying out such work.
- 6.5 Service Facilities. The Purchaser acknowledges that the Development may include services facilities and equipment such as transformers, fire protection systems and equipment, mechanical and electrical systems and equipment, electrical room, vents, ducts, fans, elevators, garage gates, garbage compactors and other such facilities and equipment (collectively the "**Service Facilities**"). The Service Facilities will be located as required by the relevant authorities or as recommended by the Vendor's consultants.

7.0 CONVEYANCE

- 7.1 Conveyance. It shall be the Purchaser's responsibility to prepare the documents necessary to complete this transaction and the Purchaser shall deliver to the Vendor a freehold transfer, in registrable form (the "**Transfer**"), and a statement of adjustments, to the Vendor's Solicitor at least 7 business days prior to the Completion Date. The Vendor will provide the Purchaser or the Purchaser's Solicitors with a form of acknowledgement whereby the Purchaser acknowledges receipt of the Initial Disclosure Statement, the Amendments and any subsequent amendments to the Initial Disclosure Statement, which the Purchaser will be required to sign and return to the Vendor or the Vendor's Solicitor prior to the Completion Date. In the event the Purchaser has not received any of the amendments listed in the acknowledgement the Purchaser or the Purchaser's Solicitors shall inform the Vendor's Solicitors forthwith and shall not be obligated to sign and return the acknowledgement until the Purchaser has received all such amendments and been provided a reasonable opportunity to review same. The Purchaser agrees prior to the Completion

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Date to sign and deliver to the Vendor the owner registration in the form required by the Vendor's new home warranty provider. The Purchaser acknowledges that the Strata Lot will not be covered by the home warranty should the Purchaser fail to deliver the signed owner registration form prior to the Completion Date. The Purchaser will be responsible for obtaining all other documents required for the closing.

On the Completion Date, the Vendor will transfer title to the Strata Lot to the Purchaser free and clear of all registered liens, mortgages, charges and encumbrances of any nature whatsoever save and except Permitted Encumbrances and on or before the Completion Date, the Vendor will have taken whatever steps are necessary in order to obtain or make arrangements for any release or discharge of any registered liens, mortgages, charges and encumbrances save and except the Permitted Encumbrances. The Purchaser acknowledges and agrees that the Vendor will be using the purchase money received from the Purchaser to obtain a partial discharge of any construction mortgage and security collateral thereto. The Purchaser's Solicitor or notary public will pay the balance of the adjusted Purchase Price **on or before 4:30 p.m.** on the Completion Date **by way of certified cheque or bank draft** made payable and delivered at the Purchaser's expense to the Vendor's Solicitors in trust on their undertaking to pay an amount required in a written statement of indebtedness from the holder of the prior encumbrance to require the holder of the prior encumbrance to provide the Vendor's Solicitors with a registrable discharge of such prior encumbrance and to register the discharge of the aforesaid charges from title to the Strata Lot and, in the case of a claim of builders lien, on his undertaking to pay an amount sufficient to cause same to be discharged within 30 days after the Completion Date. If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the balance of the adjusted Purchase Price on the Completion Date, may wait to pay same until after the Transfer and new mortgage documents have been lodged for registration at the applicable Land Title Office but only if before such lodging against title to the Strata Lot, the Purchaser has:

- (a) deposited in trust with the Purchaser's Solicitors the cash balance of the Purchase Price not being financed by the mortgage;
- (b) fulfilled all the new mortgagee's conditions for funding except lodging for registration; and
- (c) made available to the Vendor's Solicitors an undertaking given by the Purchaser's Solicitors to pay on the Completion Date the balance of the adjusted Purchase Price upon the lodging of the Transfer and the new mortgage documents and the advance by the new mortgagee of the mortgage proceeds or withdraw the Transfer from registration at the Land Title Office.

7.2 Costs. The Purchaser will pay all costs (including the Purchaser's Solicitor's fees and disbursements) in connection with the completion of purchase and the sale (including applicable GST or other federal or provincial sales, value-added, property transfer or other tax other than income tax) required to be paid by the Vendor or the Purchaser in connection with the purchase and sale of the Strata Lot other than the costs of the Vendor incurred in clearing title to the Strata Lot of financial encumbrances and the legal fees of the Vendor.

8.0 ASSIGNMENT BY PURCHASER

8.1 Assignment Registry. Without the Developer's prior consent, any assignment of this purchase agreement is prohibited. An assignment under the *Real Estate Development Marketing Act* is a transfer of some or all of the rights, obligations and benefits under a purchase agreement made in respect of a strata lot in a development property, whether the transfer is made by the purchaser under the purchase agreement to another person or is a subsequent transfer. Each proposed party to an assignment agreement must provide the Developer with the information and records required under the *Real Estate Development Marketing Act*.

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8.2 Collection of Assignment Information. Before the Developer consents to the assignment of this purchase agreement, the Developer will be required to collect information and records under the *Real Estate Development Marketing Act* from each proposed party to an assignment agreement, including personal information, respecting the following:

- (a) the party's identity;
- (b) the party's contact and business information;
- (c) the terms of the assignment agreement.

Information and records collected by the Developer must be reported by the Developer to the administrator designated under the *Property Transfer Tax Act*. The information and records may only be used or disclosed for tax purposes and other purposes authorized by section 20.5 of the *Real Estate Development Marketing Act*, which includes disclosure to the Canada Revenue Agency.

8.3 Assignment. The Purchaser may only assign (which includes the addition or removal of a purchaser to or from the Contract) the Purchaser's interest in the Strata Lot or in this Contract or direct the transfer of the Strata Lot to any other or additional party with the written consent of the Vendor, in its sole discretion, and unless the Vendor so consents the Vendor shall not be required to convey the Strata Lot to anyone other than the Purchaser named herein. The Vendor will not entertain any assignment requests prior to January 1, 2024, or following the earliest estimated date for completion or construction (as that term is defined in the Disclosure Statement). Any assignment must be in the Vendor's standard form assignment agreement. If, with the consent of the Vendor, the Purchaser assigns the Purchaser's interest in the Strata Lot or this Contract or directs the transfer of the Strata Lot to any other or additional party, the Purchaser will pay to the Vendor an administration fee, as a condition for agreeing to the assignment, and for the associated legal and administrative costs, in the amount of \$5,000.00, plus applicable GST on such fee at the time the assignment form is delivered to the Vendor, except that such administration fee will be a flat fee of \$2,500.00 plus GST if the assignee is the Purchaser's spouse, parent, child, sibling, grandparent, grandchild or a company beneficial owned and controlled by the Purchaser. The Purchaser shall also pay to the Developer the Assignment Registry Reporting Fee applicable at the time of the assignment, plus applicable GST, for the purposes of the Developer reporting the assignment to the Province of British Columbia. No assignment by the Purchaser of the Purchaser's interest in the Strata Lot or this Contract or direction of transfer to any other person shall release the Purchaser from any of the Purchaser's obligations or liabilities hereunder. If the Purchaser assigns the Purchaser's interest in the Strata Lot pursuant to this paragraph 8.3, and a deposit protection agreement is in place, then from the date of the assignment:

- (a) the Purchaser (for the purpose of the remainder of this paragraph 8.3, the "**Assignor**") shall not make or pursue any claims or proceedings against the deposit insurer with respect to this Contract, the Strata Lot or the Deposit;
- (b) the Assignor quit claims and releases absolutely the deposit insurer from any and all liabilities, obligations, promises or covenants to the Assignor with respect to this Contract, the Strata Lot or the Deposit and confirms that the Assignor no longer has any interest in or claim to the Deposit;
- (c) the Assignor and the person to whom the Assignor assigns its interest in the Strata Lot (for the purpose of the remainder of this paragraph 8.3, the "**Assignee**") acknowledge and agree that the benefit of the deposit protection agreement issued by the deposit insurer in respect of the Deposit is assigned from the Assignor to the Assignee concurrently with the assignment of this Contract and that the deposit insurer will amend

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its records so that the insured benefit under the deposit protection agreement in respect of the Deposit is transferred from the Assignor to the Assignee; and

- (d) the Assignor and the Assignee expressly acknowledge and agree that the deposit insurer can rely on the benefit of, and seek to enforce against either or both of them, the provisions of this paragraph notwithstanding that the deposit insurer is not a party to the assignment agreement.

8.4 No Solicitation. The Purchaser and its agents will not advertise or solicit offers from the public with respect to the resale of the Strata Lot by the Purchaser or the Purchaser's interest under this Contract before the Completion Date without the express written consent of the Vendor, which consent may be arbitrarily withheld.

8.5 Continued Marketing. The Purchaser agrees that after completion of the conveyance contemplated by this Contract, the Purchaser shall allow the Vendor to maintain professional signage on the Strata Lot for the purposes of offering the balance of the Vendor's strata lots in the Development for sale. In addition the Purchaser acknowledges that the Vendor and the Vendor's representatives intend to continue marketing additional strata lots in the Development and in any other neighbouring developments that the directors of the Developer are marketing in their capacity as directors of a different developer under a different disclosure statement after the completion of the sale of the Strata Lot to the Purchaser, and that such continued marketing may include, without limitation, the maintenance of one or more strata lots owned by the developer as sales or administration offices and/or display suites, marketing events held at the Development and tours of the Development for prospective purchasers. The Purchaser agrees not to unreasonably interfere with the Vendor and the Vendor's representatives in the course of such continued marketing.

9.0 MISCELLANEOUS

9.1 Time of Essence. Time is of the essence hereof and unless all payments on account of the Purchase Price, together with adjustments thereto as provided herein and all other amounts payable by the Purchaser hereunder are paid when due, then the Vendor may, at the Vendor's option:

- (a) terminate this Contract and in such event the Deposit together with all accrued interest thereon will be absolutely forfeited to the Vendor on account of damages (being the minimum amount of damages the parties agree the Vendor is expected to suffer as a result of such termination), without prejudice to the Vendor's other remedies, including a right to pursue the Purchaser for any unpaid Deposit and recover any additional damages; or
- (b) elect to extend the time for completion and complete the transaction contemplated by this Contract to a certain date determined by the Vendor, in which event time shall remain of the essence and the Purchaser will pay to the Vendor, in addition to the Purchase Price, interest on the unpaid portion of the Purchase Price and other unpaid amounts payable hereunder at the rate of 18% per annum, such interest to be calculated daily from the date upon which such payment and amounts were due to the date upon which such payment and amounts are paid.

If from time to time the Purchaser's default continues beyond the last extended date for completion established pursuant to subsection (b) the Vendor may thereafter elect to terminate this Contract pursuant to subsection (a) or permit a further extension pursuant to subsection (b).

In the event the Vendor elects to terminate this Contract the Purchaser acknowledges and agrees the Vendor's Solicitors is entitled to rely on any certificate provided to the Vendor's Solicitors under the *Real Estate Development Marketing Act* in connection with same and pay the Deposit

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and accrued interest thereon as directed by the Vendor notwithstanding the Vendor's knowledge of any adverse claim to the Deposit including a claim by the Purchaser.

- 9.2 Purchaser's Conditions. Notwithstanding anything herein contained to the contrary if the Purchaser's obligation to purchase the Strata Lot is subject to one or more conditions then the conditions shall be set out in an Addendum attached hereto, and, if such conditions exist then the Vendor, may, on written notice delivered to the Purchaser require the Purchaser to either satisfy or waive any or all conditions by delivering written notice within 48 hours from the time the Vendor gives notice to the Purchaser. If such written satisfaction or waiver is not received within such time, then this Contract shall terminate and the Deposit together with all accrued interest thereon shall be promptly refunded to the Purchaser.
- 9.3 Notices and Tender. Any notice to be given to the Purchaser will be sufficiently given if deposited in any postal receptacle in Canada addressed to the Purchaser at the Purchaser's address as set out on the first page of this Contract or the Purchaser's Solicitors at their offices and sent by regular mail, postage prepaid, or if delivered by hand or if transmitted by fax or email to the Purchaser's Solicitors at their office or to the Purchaser, or if delivered to the Purchaser by email at the email address set out on the first page of this Contract. For clarity, the Purchaser hereby consents to the delivery by the Vendor and the receipt by the Purchaser of all notices to be provided hereunder, including without limitation all Amendments to the Disclosure Statement, by delivery by email. Such notice shall be deemed to have been received if so delivered or transmitted, when delivered or transmitted and if mailed, on the second business day (exclusive of Saturdays, Sundays and statutory holidays) after such mailing, or, in the event of delivery by email, the notice shall be deemed to be delivered as of the date and time the notice shows as being sent from the sender's email address. The address, fax number and email address (if any) for the Purchaser will be as set out on the first page of this Contract or such other address, fax number or email address the Purchaser has last notified the Vendor in writing. Any documents to be tendered on the Purchaser may be tendered on the Purchaser or the Purchaser's Solicitors. Any notice to be given to the Vendor may be given to the Vendor or the Vendor's Solicitors in the same manner, and shall be deemed to have been received, as provided for in the preceding provisions of this section, *mutatis mutandis*. Any documents or money to be tendered on the Vendor shall be tendered by way of certified funds or bank draft and shall be delivered at the Purchaser's expense to the Vendor or the Vendor's Solicitors.
- 9.4 Proceeds of Crime Legislation. The Vendor may in its sole discretion terminate this Contract if the Vendor has reasonable grounds to suspect that any part of the transaction contemplated by this Contract is related to the commission or attempted commission of a "**money laundering offence**" or a "**terrorist activity financing offence**", as defined in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and Regulations under that Act, as amended from time to time. In the event of such termination, the Deposit will be absolutely forfeited to the Vendor in accordance with paragraph 9.1(a) on account of damages without prejudice to the Vendor's other remedies, including a right to recover any additional damages.
- 9.5 Agency. The Purchaser understands and acknowledges that the Purchaser has no agency relationship with Rennie Marketing Systems (the "**Vendor's Agent**"). The Purchaser acknowledges and agrees that the Vendor's Agent acts solely for the Vendor, and that the Vendor's Agent does not represent or act for the Purchaser in any capacity whatsoever. The Purchaser may wish to obtain independent advice in respect of this Contract. The Purchaser further acknowledges that the Vendor and the Vendor's Agent may allow the Vendor's Agent to assign its rights as vendor's agent with respect to the sale of the Strata Lot to an affiliate or related party of the vendor's agent at any time prior to the Completion Date.
- 9.6 Governing Law. The Contract, the agreement resulting from the acceptance of the Contract and all matters arising hereunder will be construed in accordance with and governed by the laws of British Columbia which will be deemed to be the proper law hereof, and the courts of British

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Columbia will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Contract and the validity, existence and enforceability hereof.

- 9.7 Purchaser Comprising More Than One Party. If the Purchaser is comprised of more than one party, then the obligations of the Purchaser hereunder will be the joint and several obligations of each party comprising the Purchaser and any notice given to one of such parties shall be deemed to have been given at the same time to each other such party.
- 9.8 Residency of Vendor. The Vendor represents and warrants to the Purchaser that it is a resident of Canada within the meaning of the *Income Tax Act* of Canada.
- 9.9 Contractual Rights. The Contract and the agreement which results from its acceptance creates contractual rights only and not any interest in land.
- 9.10 Further Assurances. The parties hereto shall do all further acts and things and execute all such further assurances as may be necessary to give full effect to the intent and meaning of this Contract.
- 9.11 References. All references to any party, whether a party to this Contract or not, will be read with such changes in number and gender as the context or reference requires.
- 9.12 Personal Information. The Purchaser hereby consents to the collection, use, and disclosure by the Vendor of the personal information about the Purchaser as may be required for the following purposes:
 - (a) to obtain financing for the Vendor;
 - (b) to comply with requirements of the Vendor's lenders and bankers;
 - (c) to provide services and utilities to the Development and the Strata Lot including telephone, hydro, natural gas, and cablevision;
 - (d) for insurance coverage for the Property or the Development for carrying out its services;
 - (e) to a mortgage broker, if the Purchaser so requests, for the Purchaser's mortgage application for the Purchaser's purchase of the Strata Lot;
 - (f) to the Vendor's lawyers for all matters relating to this Contract;
 - (g) to carry out and complete the sale of the Strata Lot to the Purchaser;
 - (h) to the Vendor's accountants for preparation of financial statements and tax returns including GST returns;
 - (i) for reporting purposes to any trade or professional association governing the Vendor or any investigative body having authority over the Vendor to the extent such information is required to be reported to such association or body;
 - (j) to facilitate communications between the Purchaser and the Vendor;
 - (k) to disclose the information to affiliated companies of the Vendor so that those affiliated companies may provide the Purchaser with notice of real estate projects being developed by those affiliated companies; and
 - (l) if the Strata Lot is listed on the Multiple Listing Service®, for the compilation, retention and publication associated real estate boards/associations of statistics.

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The information that may be disclosed pursuant to this consent includes all information in, and copies of, this Contract and all addendums, attachments, and amendments to this Contract.

10.0 PROHIBITION ON THE PURCHASE OF RESIDENTIAL PROPERTY BY NON-CANADIANS

10.1 Prohibition. As of January 1, 2023, the federal Prohibition on the Purchase of Residential Property by Non-Canadians Act and associated Regulations (the "Prohibition Act") bans Non-Canadians, as defined by the Prohibition Act, from directly or indirectly purchasing certain Residential Property, as defined in the Prohibition Act, in Canada for a period of 2 years.

10.2 Purchaser Representations and Warranties. The Purchaser hereby represents and warrants to the Vendor each of the following:

- (a) the Purchaser has knowledge of the matters set out herein and has informed itself of the provisions of the Prohibition Act and has had the ability to obtain independent advice in respect of this Contract;
- (b) the Purchaser wishes to purchase Residential Property for its own account and not on behalf of a third party;
- (c) the Purchaser acknowledges that the Vendor is relying upon the representations warranties outlined herein in entering into Contract with the Purchaser;
- (d) the Purchaser is:
 - (i) not a Non-Canadian, as defined by the Prohibition Act; OR
 - (ii) a Non-Canadian, however, is exempted from the prohibition due to an exception (evidence of which has been provided to the Vendor).

10.3 Consent. The Purchaser consents to the collection, use, and disclosure of the information herein for the purpose of informing the Vendor that the Purchaser is legally permitted to purchase Residential Property.

10.4 Indemnity. The Purchaser hereby agrees to indemnify, defend and save harmless the Vendor from and against any and all actions, suits, losses, penalties, damages and expenses which the Vendor and its directors, officers, employees, agents, representatives, affiliates, associates, successors and assigns may suffer or incur or be put to by reason of any of the warranties or representations set forth in paragraph 9.2 being untrue or incorrect.

10.5 Termination. The Vendor may in its sole discretion terminate this Contract if the Vendor has reasonable grounds to suspect that any part of the transaction contemplated by this Contract is prohibited by, or contrary to, the Prohibition Act. In the event of such termination, the Deposit will be absolutely forfeited to the Vendor in accordance with paragraph 9.1 on account of damages without prejudice to the Vendor's other remedies, including a right to recover any additional damages.

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Schedule "1"
Legal Description of Lands

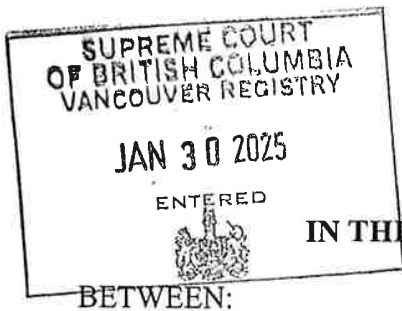
SL: _____ Unit: _____

PID: 031-746-667
LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST
NEW WESTMINSTER DISTRICT PLAN EPP111526

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APPENDIX C
[ATTACHED]



No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

DISTRICT NORTHWEST LIMITED PARTNERSHIP

and

105 UNIVERSITY VIEW HOMES LTD.

RESPONDENTS

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

**IN THE MATTER OF THE RECEIVERSHIP OF DISTRICT NORTHWEST
LIMITED PARTNERSHIP AND 105 UNIVERSITY VIEW HOMES LTD.**

ORDER MADE AFTER APPLICATION: DISTRICT NORTHWEST JUDGMENT

BEFORE

}

THE HONOURABLE JUSTICE MASUHARA)

2024/01/30

ON THE APPLICATION of the Petitioner, coming on for hearing at 800 Smithe Street, Vancouver, BC V6Z 2E1 on January 30, 2025.

AND ON READING Affidavit #1 of Daniel Pollack made on October 9, 2024 and Affidavit #2 of Daniel Pollack made on January 17, 2025 (the “**Second Pollack Affidavit**”); AND ON HEARING Mary Buttery, K.C. and Lucas Hodgson, counsel for KingSett Mortgage Corporation. and those other counsel as set out in **Schedule “A”**.

THIS COURT ORDERS AND DECLARES that:

1. The mortgage and assignment of rents dated February 24, 2022 (the “**First Mortgage**”) granted by 105 University View Homes Ltd. (the “**Nominee**”) in favour of KingSett Mortgage Corporation (“**KingSett**”), which are registered in the New Westminster Land Title Office (the “**LTO**”) under registration numbers CA9749054 and CA9749055, constitute valid charges in favour of KingSett in priority to the interest therein or claims thereto of all Respondents and all persons claiming by, through, or under them, against the following lands legally described as LOT “A” SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667 (the “**Property**”), subject only to the Receiver’s Charge and the Receiver’s Borrowings Charge, as defined in the Receivership Order granted in these proceedings on November 8, 2024 (the “**Receiver’s Priority Charges**”).
2. The mortgage dated November 2, 2023 (the “**Second Mortgage**”) granted by the Nominee in favour of KingSett, which is registered in the LTO under registration number CB1008626, constitutes a valid charge in favour of KingSett in priority to the interest therein or claims thereto of all Respondents and all persons claiming by, through, or under them, against the Property, subject only to the Receiver’s Priority Charges and First Mortgage.
3. The general security agreement, dated February 24, 2022 granted by the Nominee in favour of KingSett in respect of which a financing statement was filed in the British Columbia Personal Property Registry (the “**PPR**”) against the Nominee under base registration number 563418N on February 28, 2022, constitutes a valid charge in favour of KingSett on all present and after acquired personal property of the Nominee located at, relating to, arising from, or used in connection with or which is necessary to the use and operation of the Property in priority to the interest therein or claims thereto of all Respondents and all persons claiming by, through, or under them, subject only to the Receiver’s Priority Charges.
4. The beneficial direction, acknowledgement, and security agreement, dated February 24, 2022 granted by the Nominee and District Northwest Limited Partnership (the “**Limited Partnership**”, together with the Nominee, the “**Borrowers**”) in favour of KingSett in

respect of which a financing statement was filed in the PPR against the Borrowers under base registration number 563418N on February 28, 2022, constitutes a valid charge in favour of KingSett on all present and after acquired personal property of the Borrowers located at, relating to, arising from, or used in connection with, or which is necessary to the use and operation of the Property in priority to the interest therein or claims thereto of all Respondents and all persons claiming by, through, or under them, subject only to the Receiver's Priority Charges.

5. The loan advanced by KingSett to the Borrowers in the amount of \$79,912,500 (the "**Loan**"), pursuant to a commitment letter dated February 14, 2022, as amended by a first amending agreement dated October 16, 2023, a second amending agreement dated January 30, 2024, and a third amending agreement dated March 19, 2024, is in default.
6. The Borrowers are indebted to KingSett for their default of the Loan in the amount of \$88,681,620.18 as of January 6, 2025 (plus interest and fees that continues to accrue), and this amount is justly due and owing.
7. KingSett is hereby granted judgment against the Borrowers, jointly and severally, in the amount of \$88,681,620.18 as of January 6, 2025 plus interest from and after the date of this Order at the rate of the Royal Bank of Canada's Prime Rate plus 7.04% (with a floor rate of 9.49%), per annum, calculated on the daily outstanding balance, compounded and payable monthly, or in the alternative, pursuant to the *Court Order Interest Act*, RSBC 1996, c 79.
8. 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.

9. Endorsement of this Order by counsel appearing on this application, other than counsel for the Applicant is hereby 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:

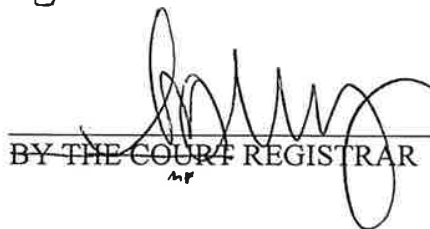
APPROVED BY:



Signature of Mary Buttery, K.C. / Lucas
Hodgson, lawyers for the Applicant



By the Court



BY THE COURT REGISTRAR

ForM
CHECKED
mf

Schedule "A"

Counsel Appearing

Counsel	Party Represented
Lucas Hagson and Mary Buttery, KC	Kingsett Mortgage Corporation
David Gruber	KSV Restructuring Inc.

APPENDIX D
[ATTACHED]

Our File No.: 31080

February 4, 2025

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Attention: Joshua Foster (By Email: fosterj@bennettjones.com)

Dear Joshua Foster,

RE: Development – District NW

Developer – District Northwest Limited Partnership, Surrey Centre District NW GP Ltd., 105 University View Homes Ltd.

Receivership Proceedings – KingSett Mortgage Corporation v. District Northwest Limited Partnership and 105 University View Homes Ltd. – Court File No.: S-246994

We write further to our telephone conferences, most recently on January 31, 2025.

On November 8, 2024, the Supreme Court of British Columbia appointed your client, KSV Restructuring Inc. (the “Receiver”), as the receiver over the above-noted Development. Sections 16(1) and (2) of the *Real Estate Development Marketing Act* require a new disclosure statement to be filed with BCFSA’s Superintendent of Real Estate (the “Superintendent”) immediately upon the appointment of a receiver.

Our records indicate that a new disclosure statement has not yet been filed with the Superintendent.

You have explained that the Receiver has been actively engaged in determining a sale process that would be proposed for court approval in February 2025. You have indicated that the Receiver intends to seek another developer to take over and complete the Development. Additionally, the Receiver has provided a written undertaking to the Superintendent that it will not market development units in the Development until the Receiver has filed a new disclosure statement.

We are writing to confirm the requirement to file a new disclosure statement for the Development as soon as possible after the sale process has been approved by the court, and in any event by March 15, 2025.

Please contact our office if you have any questions.

Yours truly,



Natalie Pang
Legal Analyst
Real Estate Development

APPENDIX E
[ATTACHED]

From: [Natalie Pang](#)
To: [Joshua Foster](#)
Cc: [Sean Zweig](#); [Mark V. Lewis](#); [Kyle Ferguson](#)
Subject: RE: ||EXT|| RE: BCFSa File #31080 - District NW
Date: Monday, March 10, 2025 1:35:43 PM
Attachments: [image001.png](#)
[2025-02-04 - LT to Receiver legal counsel req new DS - 31080.pdf](#)

Hi Josh,

Thanks for your email. Referring to the attached letter dated February 4, 2025, we confirm we can grant a time extension of the requirement to file a new disclosure statement for the Development "District NW", and would request such disclosure statement to be filed as soon as possible after the sale process has been approved by the court, and in any event by April 4, 2025 (Friday).

Thanks.

Kind regards,
Natalie

Natalie Pang
Legal Analyst, Real Estate Development
BC Financial Services Authority
T (778) 357-1584
600-750 West Pender Street
Vancouver, B.C. | V6C 2T8
www.bcfsa.ca



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APPENDIX F
[ATTACHED]

BC Company Summary

For
SURREY CENTRE DISTRICT NW GP LTD.

Date and Time of Search: December 27, 2024 06:41 AM Pacific Time
Currency Date: July 30, 2024

ACTIVE

Incorporation Number: BC1330153
Name of Company: SURREY CENTRE DISTRICT NW GP LTD.
Business Number: 769979709 BC0001
Recognition Date and Time: Incorporated on October 26, 2021 11:38 AM Pacific Time **In Liquidation:** No
Last Annual Report Filed: October 26, 2023 **Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address: 700 - 401 WEST GEORGIA STREET VANCOUVER BC V6B 5A1 CANADA	Delivery Address: 700 - 401 WEST GEORGIA STREET VANCOUVER BC V6B 5A1 CANADA
--	---

RECORDS OFFICE INFORMATION

Mailing Address: 700 - 401 WEST GEORGIA STREET VANCOUVER BC V6B 5A1 CANADA	Delivery Address: 700 - 401 WEST GEORGIA STREET VANCOUVER BC V6B 5A1 CANADA
--	---

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Thind, Daljit

Mailing Address: 700-4211 KINGSWAY BURNABY BC V5H 1Z6 CANADA	Delivery Address: 700-4211 KINGSWAY BURNABY BC V5H 1Z6 CANADA
--	---

OFFICER INFORMATION AS AT October 26, 2023

Last Name, First Name, Middle Name:

Thind, Daljit

Office(s) Held: (President)

Mailing Address:

700-4211 KINGSWAY
BURNABY BC V5H 1Z6
CANADA

Delivery Address:

700-4211 KINGSWAY
BURNABY BC V5H 1Z6
CANADA

APPENDIX G
[ATTACHED]

Business Debtor - "SURREY CENTRE DISTRICT NW GP LTD."

Search Date and Time: March 21, 2025 at 1:59:48 pm Pacific time
Account Name: Not available.

TABLE OF CONTENTS

2 Matches in 2 Registrations in Report

Exact Matches: 2 (*)

Total Search Report Pages: 8

	Base Registration	Base Registration Date	Debtor Name	Page
1	334874N	October 28, 2021	* SURREY CENTRE DISTRICT NW GP LTD.	2
2	563418N	February 28, 2022	* SURREY CENTRE DISTRICT NW GP LTD.	7

Base Registration Number: 334874N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	October 28, 2021 at 10:15:40 am Pacific time
Current Expiry Date and Time:	October 28, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of March 21, 2025 at 1:59:48 pm Pacific time)

Secured Party Information

**KINGSETT MORTGAGE
CORPORATION**

Address

3700-40 KING STREET WEST
TORONTO ON
M5H 3Y2 Canada

Debtor Information

**6511 SUSSEX HEIGHTS
DEVELOPMENT LTD**

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

THIND PROPERTIES LTD

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

YING KEI INVESTMENT INC

Address

1530 - 1200 WEST 73RD AVENUE
VANCOUVER BC
V6P 6G5 Canada

TPL-YK GP LTD

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

LUMINA ECLIPSE GP LTD

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

**LUMINA ECLIPSE LIMITED
PARTNERSHIP**

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

BETA VIEW HOMES LTD

Address

SUITE 700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

BETA VIEW HOLDINGS INC

Address

SUITE 700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

THIND, DALJIT

Address

3138 WEST 51ST AVENUE
VANCOUVER BC
V6P 4X2 Canada

Birthdate

January 24, 1965

LIU, RUIQIAN

Address

6698 GRANVILLE STREET
VANCOUVER BC
V6P 4X2 Canada

Birthdate

April 1, 1965

LIU, JUNYI

Address

6698 GRANVILLE STREET
VANCOUVER BC
V6P 4X2 Canada

Birthdate

April 9, 1994

**SURREY CENTRE DISTRICT NW GP
LTD.**

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

**DISTRICT NORTHWEST LIMITED
PARTNERSHIP**

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

GUARANTEE, ASSIGNMENT, AND POSTPONEMENT OF CLAIM AGAINST MINORU VIEW HOMES LTD., MINORU SQUARE DEVELOPMENT GP LTD., AND MINORU SQUARE DEVELOPMENT LIMITED PARTNERSHIP IN FAVOUR OF THE SECURED PARTY PROVIDED IN CONNECTION WITH A LOAN SECURED AGAINST THE PROPERTIES MUNICIPALLY KNOWN AS: 5740, 5760 AND 5800 MINORU BOULEVARD, RICHMOND, BRITISH COLUMBIA, AND LEGALLY IDENTIFIED AS (I) PID NO. 003-640-591; LOT 47 SECTION 5 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 34383; (II) PID NO. 006-638-741 LOT 26 EXCEPT: EAST 10 FEET, SECTION 5 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 32135; AND (III) PID NO. 017-151-694 LOT A SECTION 5 BLOCK 4 NORTH ,RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN NWP88228 (COLLECTIVELY, THE \PROPERTIES\) AND TO THE BUSINESS CARRIED ON AT THOSE PROPERTIES.

Original Registering Party

**BENNETT JONES LLP
(O'GRADY/59445-75/OD)**

Address

3400-1 FIRST CANADIAN PLACE
TORONTO ON
M5X 1A4 Canada

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: March 8, 2022 at 11:57:36 am Pacific time
Registration Number: 582992N
Description:

Debtor Information

SURREY CENTRE DISTRICT NW GP LTD.

ADDED

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

DISTRICT NORTHWEST LIMITED PARTNERSHIP

ADDED

Address

700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

Registering Party Information

**BENNETT JONES LLP
(O'GRADY/59445-75/OD)**

Address

3400-1 FIRST CANADIAN PLACE
TORONTO ON
M5X 1A4 Canada

Base Registration Number: 563418N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	February 28, 2022 at 8:59:29 am Pacific time
Current Expiry Date and Time:	February 28, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of March 21, 2025 at 1:59:48 pm Pacific time)

Secured Party Information

**KINGSETT MORTGAGE
CORPORATION**

Address

3700-40 KING STREET WEST, SCOTIA PLAZA
TORONTO ON
M5H 3Y2 Canada

Debtor Information

105 UNIVERSITY VIEW HOMES LTD.

Address

SUITE 700 - 4211 KINGSWAY
BURNABY BC
V5H 1Z6 Canada

**SURREY CENTRE DISTRICT NW GP
LTD.**

Address

SUITE 215-179 DAVIE STREET
VANCOUVER BC
V6Z 2Y1 Canada

**DISTRICT NORTHWEST LIMITED
PARTNERSHIP**

Address

SUITE 215-179 DAVIE STREET
VANCOUVER BC
V6Z 2Y1 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

All of the Debtors' present and after-acquired personal property located at, relating to, arising from or used in connection with, or which is necessary to the use and operation of the properties municipally known as 134A Street and University Drive, Surrey, B.C., and legally identified as (i) PID No. 010-049-029, LOT 96 EXCEPT: PART DEDICATED ROAD ON PLAN LMP6507 SEC 22 B5N R2W NWD PLAN 15002; (ii) PID No. 010-049-002, LOT 93 EXCEPT: PART DEDICATED ROAD ON PLAN LMP6507 SEC 22 B5N R2W NWD PLAN 15002; (iii) PID No. 010-465-961, LOT "A" SECTION 22 B5N R2W NWD PLAN 18562; (iv) PID No. 005-084-407, LOT 88 SECTION 22 B5N R2W NWD PLAN 15002; (v) PID No. 010-048-979, LOT 85 SECTION 22 B5N R2W NWD PLAN 15002; (vi) PID No. 000-576-646, LOT 94 SECTION 22 B5N R2W NWD PLAN 15002; (vii) PID No. 004-433-980, LOT 91 SECTION 22 B5N R2W NWD PLAN 15002; (viii) 010-048-995, LOT 90 SECTION 22 B5N R2W NWD PLAN 15002; (ix) 010-048-987, LOT 87 SECTION 22 B5N R2W NWD PLAN 15002; (x) PID No. 001-743-627, LOT 86 SECTION 22 B5N R2W NWD PLAN 15002; (xi) PID No. 010-048-961, LOT 84 EXCEPT: PARCEL "L" (BYLAW PLAN 66874) SEC 22 B5N R2W NWD PLAN 15002; (xii) PID No. 010-048-952, LOT 83 EXCEPT: PARCEL "J" (BYLAW PLAN 66874) SEC 22 B5N R2W NWD PLAN 15002; (xiii) 010-049-011, LOT 95 SECTION 22 B5N R2W NWD PLAN 15002 and all proceeds therefrom.

Original Registering Party

BENNETT JONES LLP
(O'GRADY/59445-61/OD)

Address

3400-1 FIRST CANADIAN PLACE
TORONTO ON
M5X 1A4 Canada

APPENDIX H
[ATTACHED]

PLEDGE AGREEMENT

THIS AGREEMENT is made as of the 28 day of February, 2022.

B E T W E E N:

THIND PROPERTIES LTD.

(the "Pledgor")

OF THE FIRST PART

- and -

KINGSETT MORTGAGE CORPORATION

(the "Lender")

WHEREAS 105 University View Homes Ltd. (the "**Mortgagor**"), as mortgagor, has granted a first ranking mortgage (the "**Mortgage**") to and in favour of the Lender, as mortgagee, of the lands charged therein (the "**Lands**") notice of which was registered on the date hereof in the Land Registry Office for New Westminster to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

AND WHEREAS the Mortgage has been granted by the Mortgagor in favour of the Lender pursuant to the terms and conditions of a commitment letter dated February 14, 2022 between, *inter alios*, District Northwest Limited Partnership, as borrower, and the Lender, as lender (as the same may be amended, restated, modified, supplemented, assigned and/or assumed from time to time, the "**Commitment Letter**");

AND WHEREAS the Pledgor, among others, has made a guarantee dated of even date herewith (as such guarantee may be amended, extended, renewed, replaced, restated and in effect from time to time the "**Guarantee**") in favour of the Lender with respect to the payment of the Loan Indebtedness and observance and performance of the Loan Obligations; and

AND WHEREAS as collateral security for the obligations under the Guarantee and as a condition for the Mortgagor receiving the Loan Indebtedness, the Lender has stipulated that the Pledgor enter into this Agreement as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations;

NOW THEREFORE IN CONSIDERATION of the recitals, the Lender extending the Loan Indebtedness and for such other good and valuable consideration received by the Pledgor, the receipt and adequacy of which is acknowledged by the Pledgor, the Pledgor agrees with the Lender as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

In this Agreement capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Mortgage. Otherwise, in this Agreement:

- (a) **"Delivery"** and the corresponding term **"Delivered"** when used with respect to the Secured Property means:
- (i) in the case of Secured Property constituting Certificated Securities, physical delivery thereof to the Lender or its nominee of the Security Certificates to the Lender or its nominee, such Secured Property to be endorsed for transfer or accompanied by endorsements or powers of attorney duly executed in blank, all in form and content satisfactory to the Lender;
 - (ii) in the case of Secured Property constituting Uncertificated Securities: (i) registration thereof on the books and records of the issuer thereof in the name of the Lender or its nominee; or (ii) the execution and delivery by the issuer thereof of an effective agreement (each, an **"Issuer Control Agreement"**), pursuant to which such issuer agrees that it will comply with instructions originated by the Lender or its nominee without further consent of any of the Pledgor or any other person; and
 - (iii) such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in, the Secured Property in favour of the Lender or its nominee.
- (b) **"Demand Date"** means the earlier of the date on which: (i) the Lender demands repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time; (ii) an Event of Default has occurred and is continuing; and (iii) the Maturity Date;
- (c) **"Indebtedness"**, in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (d) **"Issuer Control Agreement"** has the meaning set out in clause (ii) of the definition of **"Delivery"**.
- (e) **"Loan Indebtedness"** means any Indebtedness from time to time of the Mortgagor and any of the other Covenantors to the Lender arising under any of the Loan Documents;

- (f) "**Loan Obligations**" means the obligations of the Mortgagor and any of the other Covenantors arising under the Loan Documents;
- (g) "**Pledged Entities**" means, collectively, District Northwest Limited Partnership and Surrey Centre District NW GP Ltd.;
- (h) "**Pledged Interests**" has the meaning set out in clause (i) of the definition of Secured Property.
- (i) "**PPSA**" means the *Personal Property Security Act* (British Columbia) and the regulations thereto, as each may be amended, replaced or revoked from time to time.
- (j) "**Secured Property**" means:
 - (i) all common shares and units, as applicable, in the capital of the Pledged Entities owned by the Pledgor (the "**Pledged Interests**") as set out in Schedule A, as such schedule may be amended or replaced from time to time, including all warrants and options relating to such shares and any substitutions, additions and proceeds arising out of any consolidation, subdivision, reclassification, conversion, stock dividend or similar increase or decrease in or alteration of the capital of the Pledged Entities, or any other event and additional Pledged Interests acquired pursuant to the exercise of a right or offer granted or made by the Pledgor to the extent that any such right or offer arises out of the ownership of any shares or units, as applicable, in the capital of the Pledged Entities, whether or not delivered to the Lender and all proceeds from time to time received, receivable or otherwise distributed in respect of, or in exchange for any or all of such Secured Property;
 - (ii) all Security Certificates, if any, with respect to the Secured Property and any other instruments evidencing or representing such Pledged Interests, and all interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Interests;
 - (iii) all additional or substitute units or shares or other equity interests in the Pledged Entities from time to time issued to or otherwise acquired by the Pledgor in any manner in respect of Pledged Interests, the Security Certificates, if any, and other instruments representing such additional or substitute units or interests, and all interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any or all of such additional or substitute units; and
 - (iv) to the extent not otherwise included in the foregoing, all Proceeds thereof.

- (k) "STA" means the *Securities Transfer Act* (British Columbia) and the regulations thereto, as each may be amended, replaced or revoked from time to time;

The terms "**Certificated Security**", "**Uncertificated Security**", "**Proceeds**", "**Securities Intermediary**", "**Security**", "**Securities Account**", "**Security Entitlements**" and "**Security Certificate**", whenever used herein have the meanings given to those terms in the PPSA.

1.2 Interpretation

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

1.3 Headings

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

1.4 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

ARTICLE 2

GRANT OF SECURITY INTEREST AND PLEDGE

2.1 Grant and Pledge of Secured Property

As general and continuing security for the observance and performance of the Pledgor's liabilities and obligations under the Guarantee the Pledgor hereby grants to the Lender a security interest in, and pledges, assigns and hypothecates to the Lender, all right, title and interest of the Pledgor in and to, the Secured Property, whether now owned or existing or hereafter from time to time acquired, by way of amalgamation or otherwise.

2.2 Security Interest Absolute

The security interest granted hereby and all rights of the Lender hereunder are unconditional and absolute and independent and separate from any other security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, whether executed by the Pledgor or any other person.

2.3 Continuing Liability of the Pledgor

This Agreement and the security interest granted under Section 2.1 is granted as collateral security only and will not subject the Lender to, or transfer or in any way affect or modify,

any obligation or liability of the Pledgor with respect to any of the Secured Property or any transaction in connection therewith.

2.4 Delivery of Secured Property

All Secured Property must be Delivered immediately to the Lender or its nominee. The Lender may, at its option, upon the occurrence and continuance of an Event of Default, cause all or any of the Secured Property to be registered in the name of the Lender or its nominee.

2.5 Subsequently Acquired Collateral

To the extent the Pledgor acquires, by way of amalgamation or otherwise, any additional Secured Property at any time or from time to time after the date hereof, such Secured Property will automatically (and without any further action being required to be taken by the Lender) be subject to the security interest and pledge created hereby. The Pledgor will take, or cause to be taken, as promptly as practicable and, in any event within five (5) days after it obtains such additional Secured Property, all steps and actions as the Lender deems necessary to ensure that the additional Secured Property is Delivered to the Lender.

2.6 Attachment

The Pledgor acknowledges that the security interest hereby created attaches upon the execution of this Agreement (or in the case of any after acquired property, upon the date of acquisition by the Pledgor of any rights therein), that value has been given by the Lender and that the Pledgor has, respectively, or in the case of after acquired Secured Property will have, rights in the Secured Property or the power to transfer rights in the Secured Property to the Lender.

ARTICLE 3
DEALING WITH COLLATERAL

3.1 Rights and Duties of the Lender

The Lender:

- (a) may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder; and
- (b) in the holding of the Secured Property, the Lender and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Lender and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Secured Property if it takes such action for that purpose as the Pledgor reasonably requests in writing.

3.2 Voting Rights

In connection with the rights and powers of a holder of such Secured Property:

- (a) subject to the provisions of Section 3.2(b), the Pledgor is entitled to exercise, either directly or, if the Secured Property is registered in the name of the Lender or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such Secured Property, including the right to vote from time to time exercisable in respect of the Secured Property and to give proxies, consents, ratifications and waivers in respect thereof. No such action may be taken if it would be prejudicial to the interests of the Lender or would have the effect of reducing the value of the Secured Property as security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, or imposing any restriction on the transferability of any of the Secured Property; and
- (b) upon the occurrence and during the continuance of an Event of Default the Lender may give the Pledgor a notice prohibiting the Pledgor from exercising the rights and powers of a holder of the Secured Property, including the right to vote the Secured Property, at which time all such rights of the Pledgor will cease immediately and the Lender will have the right to exercise the rights and powers related to such Secured Property, including the right to vote.

3.3 Dividends, Distributions and Interest Payments

With respect to dividends, distributions and interest payments:

- (a) the Pledgor is entitled to receive all dividend payments or other distributions or interest payments in respect of the Secured Property. If the Secured Property has been registered in the name of the Lender or its nominee, the Lender will execute and deliver (or cause to be executed and delivered) to the Pledgor all directions and other instruments as the Pledgor may request for the purpose of enabling the Pledgor to receive the dividends or other payments that the Pledgor is authorized to receive pursuant to this Section 3.3(a); and
- (b) upon the occurrence and during the continuance of an Event of Default all rights of the Pledgor pursuant to Section 3.1(a) will cease, and all such rights will thereupon become vested in the Lender, and the Lender will have the sole and exclusive right and authority to receive and retain all payments that the Pledgor would otherwise be authorized to retain pursuant to Section 3.3(a). All money and other property received by the Lender pursuant to the provisions of this Section 3.3(b) may be applied on account of the Loan Indebtedness or may be retained by the Lender as additional Secured Property hereunder and be applied in accordance with the provisions of this Agreement. All payments which are received by the Pledgor contrary to the provisions of this Section 3.3(b) will be held by the Pledgor in trust for the benefit of the Lender, will be segregated from other property or funds of the Pledgor and will be forthwith Delivered to the Lender or its nominee to hold as Secured Property.

ARTICLE 4
COVENANTS AND REPRESENTATIONS OF PLEDGOR

4.1 Covenants

The Pledgor covenants to and with the Lender, that:

- (a) in the event that the Pledgor shall receive any additional Secured Property, which the Pledgor shall accept same as the agent for the Lender in the form received and shall deliver to the Lender:
 - (i) the certificates with respect to the additional Secured Property if such additional Secured Property constitutes Certificated Securities;
 - (ii) if the additional Secured Property constitutes Uncertificated Securities, an Issuer Control Agreement with respect thereto; and
 - (iii) an up-dated Schedule A.

4.2 Representations and Warranties

The Pledgor represents and warrants:

- (a) as of the date hereof, the Pledgor has not assigned, mortgaged, pledged, hypothecated or encumbered the Secured Property except in favour of the Lender pursuant to this Agreement save for the security constituted by or granted in connection with any Permitted Encumbrances;
- (b) to the extent that the Secured Property includes an interest in, or unit certificates in a partnership, limited partnership, a limited liability partnership or a limited liability company, the partnership agreement, articles, articles of association, bylaws, other constating documents or any terms of any interest in such partnership, limited partnership, a limited liability partnership or a limited liability company, provide that such interest is a "Security" for the purposes of the STA;
- (c) has not consented to the entering into by: (i) any issuer of any Uncertificated Securities included in or relating to the Secured Property of an Issuer Control Agreement; or (ii) any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Secured Property of an Issuer Control Agreement, other than, in either case, the Lender;
- (d) constitutes all of the issued and outstanding shares and units, as applicable, of the capital stock of the Pledged Entities owned by the Pledgor as at the date hereof;
- (e) all corporate action has been taken by the Pledged Entities and the Pledgor in order that the Secured Property is freely transferable and assignable to the Lender, its nominee or third party upon the exercise by the Lender of its rights hereunder to effect such transfer or assignment;

- (f) no consent is required, or is purported to be required, in connection with the granting of the security interest and the assignment, pledge and hypothecation of the Secured Property, or for enforcement thereof;
- (g) there are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Secured Property; and
- (h) there is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Pledgor would be required to sell or otherwise dispose of any of the Secured Property or under which the Pledged Entities have any obligation to issue any shares or units of the Pledged Entities to any other person save for the security constituted by or granted in connection with any Permitted Encumbrances.

All representations and warranties of the Pledgor made in this Agreement or in any certificate or other document delivered by or on behalf of the Pledgor to or for the benefit of the Lender are material, shall survive and shall not merge upon the execution and delivery of this Agreement and shall continue in full force and effect. The Lender shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Lender at any time.

ARTICLE 5 **REMEDIES**

5.1 Remedies

Upon the occurrence and during the continuance of an Event of Default, until payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations, the Lender shall have, without obligation to resort to other security or to recourse against any of the other Covenantors, the right at any time and from time to time to sell, resell, assign and deliver all or any of the Secured Property in Canada or elsewhere, in whole or in part, at the same or different times, and all right, title, interest, claim and demand therein and right of redemption thereof, at public or private sale, for cash, upon credit or for immediate or future delivery, and at such price or prices and on such terms as the Lender may determine, the Pledgor hereby agreeing that upon any such sale any and all equity and right of redemption shall be automatically waived and released without any further action on the part of the Pledgor, and in connection therewith the Lender may grant options, all without any demand, advertisement or notice, all of which are hereby expressly waived by the Pledgor. Until payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations, the Lender may, in its discretion, retain the Secured Property as continuing collateral security as provided herein. On and after a Demand Date where there are outstanding Loan Obligations, the Lender may in its own right, purchase all or any of the Secured Property being sold, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise, free of any equity or right of redemption. The proceeds of each such sale shall be applied to the payment of all costs and expenses of every kind for sale or delivery, including reasonable agent's fees

or legal fees (including legal fees on a substantial indemnity basis) and expenses of the party entitled to sell the Secured Property, and after deducting such costs and expenses from the proceeds of the sale, any residue shall be applied in payment of the Loan Indebtedness in such order as the party entitled to sell the Secured Property may deem fit. The balance, if any, remaining after payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations shall be paid over to the Pledgor or to whomever else may be entitled thereto by law. Notwithstanding the foregoing provisions of this Section, the Lender shall not in any event be under any duty to do any of the foregoing. The Pledgor hereby ratify all that the Lender, or the Lender's nominee, as the case may be, shall do by virtue of the foregoing authority.

5.2 Compliance with Restrictions

The Pledgor agrees that in any sale of any of the Secured Property following the occurrence of an Event of Default that is continuing, the Lender is hereby authorized to comply with any limitation or restriction in connection with such sale as is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Secured Property), or in order to obtain any required approval of the sale or of the purchaser by any governmental regulatory authority or official, and the Pledgor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Lender be liable nor accountable to the Pledgor for any discount allowed by the reason of the fact that such Secured Property is sold in compliance with any such limitation or restriction.

5.3 Remedies Cumulative

The rights, powers and remedies of the Lender hereunder shall not be deemed exclusive, but shall be cumulative with and in addition to all other rights and remedies existing at law or in equity and available to a secured creditor under the PPSA, the *Securities Transfer Act* (Ontario) or any similar legislation of any other appropriate jurisdiction and the *Business Corporations Act* (Ontario) or any similar legislation of any other appropriate jurisdiction.

5.4 Private Sales

The Pledgor recognizes that subject to compliance with applicable securities laws and the rules and regulations of any stock exchange on which the applicable Secured Property is listed and posted for trading, any sale by the Lender of all or any portion of the Secured Property may be by way of one or more private sales to a restricted group of purchasers who may be obligated to agree, among other things, to acquire the Secured Property for their own account, for investment and not with a view to the distribution or resale thereof. The Pledgor acknowledges that any such private sales may be at prices and on terms less favorable than those of public sales.

5.5 Indemnity and Expenses

The Pledgor hereby indemnify and hold harmless the Lender from and against any and all claims, losses, and liabilities arising out of or resulting from this Agreement, save and except for those arising from the gross negligence or willful misconduct of the Lender or its agents. Upon demand, the Pledgor will pay to the Lender the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its legal counsel and of any experts and agents, which the Lender may incur in connection with:

- (a) the administration of this Agreement;
- (b) the custody, preservation, use, or operation of, or the sale of, collection from, or other realization upon, any of the Secured Property;
- (c) the exercise or enforcement of any of the rights of the Lender hereunder; or
- (d) the failure by the Pledgor to perform or observe any of the provisions hereof.

ARTICLE 6 **GENERAL**

6.1 Termination of Pledge and Reassignment

The provisions of this Agreement shall remain in full force and effect as general and continuing collateral security for the payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations until the earlier of: (i) termination in writing by the parties hereto; or (ii) payment in full of the Loan Indebtedness and the satisfaction of all of the Loan Obligations. The Lender covenants and agrees that upon the termination of the Pledge as aforesaid it will release its security interests created hereby in the Secured Property at the sole cost and expense of the Pledgor.

6.2 Power of Attorney

The Pledgor hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof the true and lawful attorney of the Pledgor upon the occurrence of an Event of Default, with full power of substitution, to do, make and execute all such statements, assignments, documents, agreements, acts, matters or things with the right to use the name of the Pledgor whenever and wherever the officer or agent may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Secured Property in accordance with this Agreement, such power being coupled with an interest.

6.3 Authorization to Provide Copy of Agreement

The Pledgor hereby authorizes the Lender to provide a copy of this Agreement and such other information and documents specified under the PPSA to any person entitled pursuant to the PPSA to demand and receive same.

6.4 Copy of Agreement and Financing Statement

The Pledgor:

- (a) acknowledges receiving a copy of this Agreement; and
- (b) waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed, issued or obtained at any time in respect of this Agreement.

6.5 Payments

All payments required to be made by the Pledgor to the Lender under this Agreement will be made at the address of the Lender set out in Section 6.13 (or at any other place specified by the Lender by written notice to the Pledgor and the Mortgagor) in immediately available funds in lawful Canadian currency, without any set off counter claim or deduction.

6.6 Failure of Indulgence Not Waiver

No failure or delay by the Lender in the exercise of any power or right under this Agreement constitutes a waiver thereof, nor does any exercise of any such power or right preclude any other exercise of same. Each power and right under this Agreement is cumulative with, and not exclusive of, any power or right otherwise available.

6.7 Modification

No modification or waiver of this Agreement is binding on the Lender unless made in writing and signed by a duly authorized officer of the Lender.

6.8 Entire Agreement

On the execution and delivery by the Pledgor, this Agreement is deemed to be finally executed and delivered by the Pledgor to the Lender and is not subject to or affected by any condition as to the receipt by the Lender of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Lender of any other Loan Documents, nor by any promise or condition affecting the liability of the Pledgor. No agreement, promise, representation or statement by the Lender or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced the making of it or affects the liability of the Pledgor and the Mortgagor under it.

6.9 Severability

If any part or provision of this Agreement is determined to be invalid, illegal or unenforceable, it will be severable from this Agreement and the remainder of this Agreement will be construed as if such invalid, illegal or unenforceable provision or part had been deleted.

6.10 Non-Merger

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Commitment Letter, the Mortgage or any of the other Security Documents or any one or more of them at the option of the Lender.

6.11 Paramountcy

The provisions of any agreement between the Pledgor and the Lender in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage shall prevail.

6.12 Assignability

The Pledgor hereby consents to the Lender assigning, transferring or selling all or any portion of its interest under this Agreement, the Loan Indebtedness and the Loan Obligations and without limiting the foregoing, the Lender may enter into participation, contending or syndication agreements with other Lenders in connection with this Agreement, the Loan Indebtedness and the Loan Obligations. The Lender may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other Lenders concerning the Pledgor, this Agreement, the Loan Indebtedness and the Loan Obligations.

6.13 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered in person, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, charges pre-paid, addressed:

(a) to the Pledgor:

Name: Thinkd Properties Ltd.
Address: 700 – 4211 Kingsway,
Vancouver, B.C., V5H 1Z6

Fax No.: 604-451-7740

(b) to the Lender:

Name: KingSett Mortgage Corporation
Address: Scotia Plaza, 40 King Street West, Suite 3700
Toronto, Ontario, M5H 3Y2

Attention: Justin Walton, Executive Director, Mortgage Investments
e-mail: JWalton@kingsettcapital.com

and to:

Attention: Scott Coates, Managing Director, Mortgage Investments
e-mail: Scoates@kingsettcapital.com
Fax No.: 416-687-6701

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3rd) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

6.14 Expenses, Fees and Indemnity

The Pledgor will pay to the Lender all reasonable costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Lender in connection with the collection of any amount payable under this Agreement by the Pledgor to the Lender. The Pledgor shall indemnify the Lender against all claims, loss or damages arising out of or in connection with any breach or default by the Pledgor under this Agreement.

6.15 Applicable Law

This Agreement and the rights and obligations of the Pledgor and the Lender under it are governed by and construed according to the laws of the jurisdiction in which the Lands are situate (the "Province") and the laws of Canada applicable therein.

6.16 Time of the Essence

Time is of the essence of this Agreement.

6.17 Jurisdiction

Any legal action or proceeding with respect to this Agreement may be brought, in the discretion of the Lender, in the courts of the Province or in such other courts as the Lender in its sole discretion elects and each of the Pledgor and the Mortgagor irrevocably submits to each such jurisdiction.

6.18 Execution by the Lender

This Agreement need not be executed by the Lender to be binding on and to enure to the benefit of the Lender.

6.19 Counterparts

This Agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document, and such will not affect the obligations of the Pledgor under this Agreement. This Agreement or counterparts hereof may be executed by fax or email PDF, and the parties shall adopt any signatures provided or received by fax or email PDF as original signatures of the applicable party or parties, provided that any party providing its signature by fax or email PDF shall promptly forward to the other party a copy of this Agreement with an original signature.

6.20 Further Assurances

The Pledgor will promptly do all further acts and execute and deliver further documents as the Lender considers necessary or advisable to carry out the terms or intent of this Agreement.

6.21 Successors and Assigns

This Agreement is binding on and enures to the benefit of the Lender and the Pledgor and their respective executors, administrators, successors and assigns and to any Person to whom the Lender may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Lender under this Agreement or any of the Lender's interest herein or in the Loan Indebtedness and the Loan Obligations.

6.22 Multiple Parties

If the Pledgor consist of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Pledgor includes each and every such Person or corporation individually. All covenants and agreements herein of the Pledgor are the joint and several covenants and agreements of each such Person or corporation. If the Lender consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Lender under this Agreement.

IN WITNESS WHEREOF the Pledgor has executed this Agreement as of the date and year first written above.

THIND PROPERTIES LTD.

Per:


Name: Daksh Thind
Title: Director

SCHEDULE A

Pledged Entities	Type/Class of Pledged Securities	Stock Certificate Number	Number of Shares/ Units	Security Certificate Location
District Northwest Limited Partnership	Units	1	20	Vancouver
District Northwest Limited Partnership	Units	3	80	Vancouver
Surrey Centre District NW GP Ltd.	Common Shares	A-2	100	Vancouver.
Surrey Centre District NW GP Ltd.	Common Shares	A-3	80	Vancouver.

APPENDIX I
[ATTACHED]

No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND

**DISTRICT NORTHWEST LIMITED PARTNERSHIP
AND
105 UNIVERSITY VIEW HOMES LTD.**

RESPONDENTS

CONSENT OF THE PROPOSED RECEIVER

KSV Restructuring Inc. hereby consents to act as the Court-appointed receiver in respect of Surrey Centre District NW GP Ltd., pursuant to the terms of the amended and restated receivership order contained in the Application Record of KSV Restructuring Inc., in its capacity as the Court-appointed receiver of 105 University View Homes Ltd. and District Northwest Limited Partnership, the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended, in respect of these proceedings.

Dated: March 24, 2025

KSV RESTRUCTURING INC.

Per:

DocuSigned by:



87E48B2D2D52481

Name: Jason Knight

Title: Managing Director

APPENDIX J
[ATTACHED]

July 1, 2021

105 University *VIEW HOMES Ltd.*
4211 Kingsway, Suite 700
Vancouver, BC V5H 1Z6

Attn: Mr. Daljit Thind

Dear Mr. Thind,

Re: Marketing for the sale of condominium units at 13437 105 Avenue located in Surrey (the "Project")

This letter (the "**Agreement**") confirms the agreement between Rennie Marketing Systems, by its partners Rennie Project Marketing Corporation and 541823 B.C. Ltd. (collectively, "**RMS**"), and 105 University, the developer of the Project and the registered owner of the subject property (collectively the "**Owner**"), relating to the marketing of condominium units that will comprise the above-captioned Project on the lands having the following civic address and legal description:

13437 105 Avenue, Surrey, BC

LOT 95, BLOCK 5N, PLAN NWP15002, SECTION 22, RANGE 2, NEW WESTMINSTER LAND DISTRICT

NOW THEREFORE, in consideration of the premises, covenants and agreements set forth herein, the sum of Ten Dollars (\$10.00) now paid by each party to the other, and other good and valuable consideration, the receipt and sufficiency of which each party hereby acknowledges, the parties covenant and agree as follows:

1. Definitions

1.1 For the purpose of this Agreement, the following words and phrases will have the following meanings:

- (a) "**Advertising and Promotional Expenses**" means all costs and expenses relating to the marketing, advertising and promoting of the Project, including, but not limited to, expenses incurred in connection with web design, preparation and publishing of advertisements, brochures and flyers, print media costs and bulk mailing costs;
- (b) "**Closing Date**" means, in respect of a Unit, the date upon which the purchase and sale of a Unit completes as evidenced by release of the purchase price proceeds to the Owner or as directed by it;
- (c) "**Commission**" means the amount payable by the Owner to RMS for the sale of each Unit calculated in accordance with section 3.1;
- (d) "**Confidential Information**" means information, whether written, oral, electronic or otherwise, and includes records, plans or designs, trade secrets, proprietary "know how" of either party which is supplied orally or in writing by or on behalf of the disclosing party, and which is identified orally or in writing at the time of its disclosure as Confidential Information, and includes the terms of this Agreement, but does not include Unit pricing information;
- (e) "**Contract**" means a purchase and sale agreement pursuant to which a purchaser agrees to purchase a Unit from the Owner;

- (f) “**FINTRAC Records**” means all documents, information and records collected, produced or maintained by RMS as required by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* in connection with RMS performing the Marketing Services;
- (g) “**FINTRAC Requirements**” means all of the following as required by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* from time to time: (i) identifying purchasers of Units and third parties, (ii) collecting, producing and maintaining receipts of funds, large cash transactions, suspicious transactions and other FINTRAC Records, (iii) reporting to FINTRAC and (iv) keeping records of the foregoing;
- (h) “**Marketing Fee**” has the meaning set out in section 3.1;
- (i) “**Marketing Services**” has the meaning set out in section 5.1;
- (j) “**Net Contract Sales Price**” means the actual agreed upon purchase price of a Unit set out in the applicable fully executed Contract, excluding or net of applicable taxes, but inclusive of amounts paid for parking stalls and storage lockers, less any amounts for decorating allowances and other discounts or cash incentives (being any cash credit given to a purchaser by the Owner that explicitly reduces the purchase price of a Unit or is to be shown as a cash credit in the purchaser’s favour on the statement of adjustments in respect of the purchase and sale of the Unit);
- (k) “**Outside Agent**” means any real estate agent or broker that represents a client/buyer in respect of the purchase by that client/buyer of a Unit including any Rennie and Associate Realty licensees except for those who are assigned by RMS as designated agents to the Project’s real estate sales team unless such licensees and their clients have been identified in a list of registered buyers given to the Owner prior to the initial marketing of the Units to the general public;
- (l) “**Presentation Centre**” means the presentation centre for the Project to be constructed and equipped by the Owner and which is to consist of a general presentation area, an administrative office and a display suite;
- (m) “**Reimbursable Costs**” has the meaning set out in section 4.4;
- (n) “**Term**” has the meaning set out in section 7.1;
- (o) “**Termination Date**” means the earlier of the last day of the Term or, in the event of earlier termination of the appointment of RMS, the date of termination specified in accordance with section 7.2, 7.3 or 7.4, as applicable; and
- (p) “**Unit**” means a residential strata lot marketed for sale within the Project and “**Units**” means some or all of the residential strata lots within the Project, as the context requires, but the definition shall exclude all non-residential strata lots and all rental residential units (whether created as strata lots or otherwise) within the Project.

2. Appointment of RMS

2.1 The Owner hereby appoints RMS to provide and perform the Marketing Services and RMS accepts such appointment on the terms and subject to the conditions set out in this Agreement.

3. Commission

3.1 In consideration of the performance of the Marketing Services by RMS, the Owner shall pay to RMS, subject to section 3.3, a Commission of ~~1.85%~~ of the Net Contract Sales Price, plus all applicable taxes payable on the Commission, for each and every Unit sold in the Project during the Term.

3.2 The Owner shall also pay to RMS a marketing fee of ~~\$7,500~~ per month, plus all applicable taxes thereon, for each month of the Term (the aggregate of which shall be the "Marketing Fee") beginning July 1, 2021 and until the earlier of the expiry of the term and/or the Project is sold out. Any portion of the Marketing Fee once invoiced will be treated, when paid, as an advance against that portion of the Commissions due and payable pursuant to section 3.7(b), and the invoices issued by RMS to the Owner from time to time in respect of such Commissions will show the Marketing Fee paid to date as a credit against the Commissions due and payable pursuant to section 3.7(b), less any Marketing Fee already credited to previously invoiced Commissions.

3.3 Notwithstanding section 3.1 and 3.2, if at the time of completion of the Project, the average price per square foot for all Units sold is greater than a price per square foot jointly determined by the parties on a date (the "Bonus Determination Date") no later than 30 days prior to the expected Disclosure Statement filing date, then the rate of Commission payable to RMS in respect of all Units sold shall be increased by an amount of 0.25% for a total Commission of 2.10%. Any such Commission shall be due and payable to RMS immediately following such completion. Terms of the bonus Commission amount and Bonus Determination Date will be outline in Schedule "B".

3.4 Notwithstanding section 3.1 and 3.2, and subject to section 12.3, the Owner will not be obligated to pay a Commission to RMS on the sale of any Unit to an employee or director or officer of the Owner, or their respective friends and families (an "Internal Sale"), provided that the number of Internal Sales does not exceed five (5%) percent of available Units for each building. The Owner agrees to pay a fee of \$1,000 per unit for administration and sales team compensation. The names of purchasers in Internal Sale transactions must be provided to RMS in advance of the applicable Internal Sale.

3.5 Notwithstanding section 3.1, the Owner shall also provide a Sales Retainer Fee in the total amount of \$50,000 on the terms set out in Schedule "C".

3.6 For the purposes of this Agreement a sale of a Unit will be deemed to have occurred and the Unit will be deemed to have been sold when:

- (a) the purchaser and the Owner have signed a Contract for the Unit;
- (b) the applicable rescission period pursuant to the *Real Estate Development Marketing Act, SBC 2004*, Chapter 41 as amended ("REDMA") has expired and the purchaser has not exercised its right to rescind the Contract during such rescission period pursuant to REDMA;
- (c) the Owner is in receipt of the full amount of the initial deposit payable by the purchaser in accordance with the terms of the Contract, unless the receipt of the deposit has been waived by the Owner; and
- (d) any conditions precedent in favour of the purchaser, or the purchaser and the Owner jointly, to the completion of the purchase and sale of the Unit have been satisfied, removed or waived by all parties in whose favour any such conditions precedent have been written, other than any customary conditions precedent to closing. For clarity, this includes the owner's condition for obtaining building permit and receiving satisfactory financing, in accordance with Policy Statement 5 and 6 of REDMA,

(collectively, the "Deeming Conditions").

3.7 RMS will be deemed to have earned a Commission for each Unit sold when the Deeming Conditions are satisfied in respect of such Unit. Subject to sections 3.1 and 3.3, the Owner will pay Commission to RMS as follows:

- (a) as to 50% of the Commission in respect of the Unit (plus all applicable taxes), when the last of the Deeming Conditions for such Unit has been satisfied; and
- (b) as to the balance of the Commission (plus all applicable taxes), upon completion of the purchase and sale of the Unit.

3.8 If the Owner subsequently cancels, accepts a surrender or otherwise terminates any purchase and sale agreement in respect of which a Commission has been earned, or otherwise releases the purchaser thereunder from its obligation to complete the purchase of the Unit which is the subject of the purchase and sale agreement:

- (a) Any Commission already paid to RMS pursuant to section 3.7 in respect of that purchase and sale agreement shall be considered earned and non-recoverable; and
- (b) RMS shall forfeit any Commission not yet paid to RMS to section 3.7(b) in respect of that purchase and sale agreement.
- (c) For clarity, RMS will have the opportunity to resell the Unit and earn the full Commission payable as set out in 3.7.

3.9 RMS will remit invoices to the Owner by the 25th day of each calendar month. Each invoice will be due and payable by the Owner by the last day of the following calendar month. The Owner will pay RMS a finance charge of 2% per month (24% per year), accruing on a straight-line basis, of the amount outstanding under any invoice that is not paid in full within 30 days of becoming due.

3.10 For any sales involving an Outside Agent, the Owner is responsible for and agrees to pay ~~100%~~ of the Outside Agent's standard commission (e.g. 2.55% on the first \$100,000 and 1.1625% on the balance) earned on a sale of a Unit in addition to the full Commission payable to RMS hereunder. The Owner will pay in full any Outside Agent's commissions or bonuses that exceed the standard commission, provided that the Owner has first pre-approved the same in writing. The Outside Agent must provide an invoice for any commissions and bonus payable earned on the sale of a Unit. Payment of Outside Agent commissions and bonus will be paid directly by the Owner.

4. Fees and Expenses

4.1 The Owner shall be responsible for and agrees to pay all Advertising and Promotional Expenses that are within the amount provided for in the marketing budget (which must be approved by the Owner in writing) or otherwise approved by the Owner. To the extent possible, third party invoices for Advertising and Promotional Expenses will be directly invoiced to the Owner. RMS will promptly deliver to the Owner all invoices for Advertising and Promotional Expenses received by RMS for payment.

4.2 If RMS, in its sole discretion, pays any invoiced Advertising and Promotional Expenses on behalf of the Owner, the Owner will reimburse RMS for such invoiced and paid Advertising and Promotional Expenses promptly in accordance with section 4.4, as long as the invoiced expenses are contained in the approved marketing budget. The Owner shall reimburse RMS for any Advertising and Promotional Expenses directly incurred by RMS in accordance with this Agreement.

4.3 The Owner will, if applicable, pay all MLS fees in relation to the Project.

4.4 The Owner shall, promptly upon receipt of an invoice from RMS, reimburse RMS for:

- (a) all approved Advertising and Promotional Expenses incurred by RMS or paid by RMS on behalf of the Owner;
- (b) the cost of a sales coordinators at the Presentation Centre;
- (c) the costs of leasing or purchasing furniture and equipment for the Presentation Centre including, without limitation, photocopier, computer, fax machine, scanner, printer, telephone, computer software and furnishings and art;
- (d) the cost of all office supplies used in connection with the provision of the Marketing Services including, without limitation, paper, pens, stationary, postage and printer toner;
- (e) the cost of setting up, managing the database, web hosting fees and email blasts (initial monthly cost is at \$625 beginning 4 months prior to the Presentation Centre opening and no more than \$1000);
- (f) any costs and expenses incurred by RMS in connection with any contracts entered into with any third parties for and on behalf of the Owner, including without limitation any contracts relating to the marketing and sales of Units overseas; and

- (g) such other reasonable costs and expenses incurred by RMS on behalf of the Owner

(collectively, the “**Reimbursable Costs**”). All Reimbursable Costs shall be due and payable promptly upon the Owner’s receipt of the invoice for such Reimbursable Costs.

5. **Marketing Services**

5.1 Subject to the terms of this Agreement, RMS shall manage and carry out, and shall be authorized to manage and carry out on behalf of the Owner, the marketing of the Project and sales of the Units (the “**Marketing Services**”), including, subject to the approval of the Owner from time to time, the following:

- (a) formulate public positioning and marketing programs on behalf of the Owner;
- (b) collaborate and prepare reports for the Owner on Project positioning;
- (c) assist in the development of the unit mix and pricing for the Project;
- (d) develop and prepare a strategy for the sale of the Units;
- (e) assist in the selection and coordination of key consultants;
- (f) conceptualize, establish and staff the Presentation Center;
- (g) use, in RMS’s discretion, RMS’s proprietary customer database to introduce prospective clients to the Project;
- (h) use the proprietary customer databases of RMS’s agents to introduce their prospective clients to the Project;
- (i) facilitate pre-sales contracts between the Owner and purchasers of the Units;
- (j) assist with contractual conveyance of Units following construction of the Project;
- (k) assist the Owner in preparing, and cause to be printed, all disclosure statements, disclosure statement receipts, forms of purchase and sale agreements and other addenda to be used in connection with the sales of Units, subject to review and approval, on a timely basis, by the Owner’s solicitors;
- (l) provide reports to the Owner as reasonably required by the Owner from time to time or at a frequency that is mutually agreed upon;
- (m) assist in the process of administering the distribution of:
 - (i) disclosure statements and disclosure statement amendments (and receipting thereof);
 - (ii) addendums to Contracts;
 - (iii) deposit increase notices;
 - (iv) completion notices;
 - (v) parking allocation;
 - (vi) storage space distribution notices; and
 - (vii) Unit customizations and upgrade programs;

- (n) prepare a marketing budget and marketing timeline outlining the detailed expenses and disbursements in connection with the marketing and sale of the Units;
- (o) promptly respond to all notices and other written communications from the Owner;
- (p) prepare and deliver a monthly competition report to the Owner; and
- (q) carry out as agent for and on behalf of the Owner, the Owner's FINTRAC Requirements and provide the Owner with the FINTRAC Records upon request.

5.2 RMS shall provide the Marketing Services in compliance with REDMA and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

6. Obligations of Owner.

6.1 The Owner shall:

- (a) Promptly make all payments due to RMS under this Agreement;
- (b) Promptly respond to all notices, request for approval and other communications from RMS;
- (c) Review promotional details and materials and approve same or recommend changes on a timely basis;
- (d) Attend to the execution of Contracts, related addenda, notices to purchasers in respect of the satisfaction, removal or waiver of Owner's conditions precedent in such purchase agreements, and other such matters as appropriate in the circumstances, all on a timely basis;
- (e) Provide to RMS all documentation on all transactions, including Internal Sales, relating to the sale of the Units in a timely manner;
- (f) Comply with the obligations of an owner or developer under the REDMA;
- (g) Instruct the Owner's solicitors to hold all deposits in trust in accordance with the REDMA and the Real Estate Services Act SBC 2004, Chapter 42, until the Closing Date; and
- (h) Indemnify, defend and hold RMS and its partners and their respective officers, directors, members, managers, employees, and representatives harmless from and against any and all causes of action, claims, costs, damages, demands, expenses, liabilities, losses, and obligations arising out of or resulting from the failure by the Owner or its employees, solicitors or representatives to comply with the obligations of an owner or developer under the REDMA.

7. Term, Termination and Periods of Inactivity

7.1 Subject to earlier termination in accordance with section 7.2, 7.3 or 7.4, RMS's appointment hereunder shall be for a term (the "Term") commencing on the date of this Agreement as first set out above and ending on the Closing Date of the last Unit.

7.2 Either the Owner or RMS may terminate RMS's appointment hereunder, without cause, by delivery of a written notice of termination to the other party. The Termination Date shall be the last day of the month following the month in which the written notice is delivered in accordance with section 13.

7.3 RMS may, in its sole discretion and without prejudice to any other right or remedy that RMS may have, terminate this Agreement on 48 hours' written notice to the Owner if:

- (a) the Owner fails to make any payment when due, and does not remedy the default within one week after the delivery of a written notice of default by RMS; or

- (b) the Owner is in default of any of its other obligations under this Agreement, and does not remedy the default within two weeks after the delivery of a written notice of default by RMS.

7.4 The Owner may, in its sole discretion and without prejudice to any other right or remedy that the Owner may have, terminate this Agreement on 48 hours' written notice to RMS if RMS is in default of any of its obligations under this Agreement, and does not remedy the default within two weeks after the delivery of a written notice of default by the Owner. For greater certainty, if this Agreement is terminated in accordance with this section 7.4, the Owner shall not be obligated to pay the Marketing Fee in respect of any period following the date of the notice of default.

7.5 Upon the expiry of the Term or early termination of the Term by either party, the Owner shall pay RMS:

- (a) the unpaid balance of the Marketing Fee payable to the expiration of the Term; provided that if RMS terminates the Agreement early without cause pursuant to section 7.2, the Marketing Fee payable will only be the portion of the Marketing Fee accruing to the Termination Date;
- (b) all earned but unpaid Commissions, provided that:
 - (i) if this Agreement is terminated for any reason other than by RMS pursuant to section 7.2 or by the Owner pursuant to section 7.4, the Owner shall pay all earned but unpaid Commissions, including those payable pursuant to section 3.7(b), on or prior to the Termination Date; and
 - (ii) if this Agreement is terminated by RMS pursuant to section 7.2 or by the Owner pursuant to section 7.4, nothing in this section 7.5 shall accelerate the Owner's obligation to pay any such unpaid Commissions in advance of the time they would be payable pursuant to section 3.7;
- (c) all Reimbursable Costs incurred by RMS;
- (d) if the Owner terminates the Agreement early without cause pursuant to section 7.2, the amount of \$250,000; and
- (e) any amount payable to RMS under section 12.3.

7.6 All payments to be made to RMS under section 7.5 shall be made by the Owner to RMS on or prior to the Termination Date, except that:

- (a) if this Agreement is terminated pursuant to section 7.4, such payments shall be due and payable within one week after the Termination Date; and
- (b) any Reimbursable Costs incurred prior to the Termination Date but not invoiced as at the Termination Date shall be paid within 14 days of invoice to the Owner.

7.7 In addition to any amounts owing pursuant to section 7.5, the Owner shall pay Commissions to RMS in respect of any Contract entered into after the Termination Date, where the purchaser under such Contract was introduced to the Project by RMS within the 6 month period prior to the Termination Date. All Commissions pursuant to this section 7.7 shall be earned when the last of the Deeming Conditions for the applicable Unit has been satisfied and paid in accordance with the provisions of section 3.7. RMS shall be deemed to have introduced a purchaser for the purpose of this section 7.7 if such purchaser is on RMS's proprietary customer database, is physically brought to the Presentation Centre by RMS or is introduced to the Project through any marketing material (including digital marketing) prepared and distributed by RMS pursuant to the terms of this Agreement, or any combination of the foregoing.

7.8 If, at any time during the Term, the Project is inactive for a period of 90 days or longer:

- (a) RMS's obligation to provide the Marketing Services (other than under 5.1(d), 5.1(k), 5.1(m) and 5.1(o) (the "Ongoing Services")) shall be suspended until that date which is 14 days following delivery of written notice from the Owner to RMS that work on the Project is resuming;

- (b) RMS shall be entitled to receive full payment of all Commissions earned and due and payable at the beginning of the period of inactivity in accordance with the provisions of section 3.7, together with the Marketing Fee calculated to the date that is 90 days after the period of inactivity began;
- (c) beginning on the 91st day after the period of inactivity begins, the Marketing Fee normally payable under section 3.2 shall be suspended and shall not accrue; but the payment of the Marketing Fee shall resume after the period of inactivity ends, and the Term shall be extended by the period beginning from the 91st day of inactivity to the end of the period of inactivity;
- (d) the Owner shall pay Commissions to RMS in respect of any Contract entered into during the period of inactivity, which Commissions will be earned and payable in accordance with the provisions of section 3.7;
- (e) during the period of inactivity, the Owner shall pay RMS's costs relating to the Ongoing Services, and shall pay all of RMS's costs associated with termination and re-hiring of staff associated with the Project, including costs associated with re-hiring staff to a full staffing complement necessary (in the sole discretion of RMS) for the Project at the end of the period of inactivity; and
- (f) RMS may terminate this Agreement by delivery of a written notice of termination to the Owner at any time after the Project is inactive for a period of 90 days or longer, and on or before the effective date of such termination the Owner shall pay RMS:
 - (i) the unpaid balance of the Marketing Fee payable to the expiration of the Term;
 - (ii) all earned but unpaid Commissions, including those payable pursuant to section 3.7(a);
 - (iii) all Reimbursable Costs incurred by RMS; and
 - (iv) the amount of the Transfer Compensation calculated in accordance with section 12.3.

7.9 Upon the expiry of the Term or early termination of the Term by either party:

- (a) all licenses that either party may have to use proprietary information or other property of the other party shall terminate on the Termination Date, without any other act of any person;
- (b) each party shall promptly return to the other party all property of that other party then held by the first party;
- (c) if this Agreement is terminated by a party because of a breach of this Agreement by the other party, the terminating party's right to pursue all legal remedies will survive such termination unimpaired; and
- (d) RMS shall provide the FINTRAC Records to the Owner.

7.10 The provisions of this section 7 of this Agreement shall survive the termination or expiration of this Agreement.

8. Non Solicitation of Employees

8.1 During the Term and for a period of two years following the expiration or early termination of the Term, the Owner agrees that neither it nor any of its related or affiliated entities nor their respective directors, officers or employees or agents shall directly or indirectly solicit for hire any employee of RMS or its related or affiliated entities; provided that the foregoing shall not apply to general employment advertisements or job postings not directed at employees of RMS or its affiliated or related entities. The Owner agrees that RMS shall be entitled to liquidated damages for breach of this provision by the Owner of \$100,000 for each non-managerial employee solicited for hire or hired in breach of this section, \$250,000 for each managerial employee solicited for hire or hired in breach of this section and \$500,000 for each executive solicited for hire or hired in breach of this section. The Owner agrees that the amounts set out herein are genuine pre-estimates of the damages suffered by RMS and are not a penalty.

9. Work Product

9.1 The Owner shall not use any designs, brochures, web design or any other marketing materials prepared by RMS pursuant to this Agreement for any purpose other than the marketing of the Project, without obtaining the prior written agreement of RMS.

9.2 All information collected by RMS (but excluding information provided by the Owner or its affiliates to RMS) for the purpose of the Project's database of potential Unit purchasers (including registration cards, web registration and other purchaser data collected) during the Term will become the property of both RMS and the Owner. Notwithstanding the foregoing:

- (a) information collected by RMS prior to the start of the Term or for projects on which RMS has been engaged other than the Project shall be the exclusive property of RMS; and
- (b) information collected by the Owner (or its affiliates) prior to the start of the Term or for projects other than the Project in which the Owner's affiliates have been involved shall be the exclusive property of the Owner and its affiliates.

9.3 Each of the Owner and RMS covenants and agrees that it will collect, use and retain any personal information obtained for the purposes of the Project database in accordance with all applicable provincial and federal privacy legislation.

9.4 The marketing database system and software used by RMS is and shall remain the exclusive property of RMS.

9.5 Each party acknowledges and agrees that neither party has any right, title or interest in the other party's trademarks, trade names, Project name(s), logos, or any part thereof. To the extent that it is within RMS' control to do so, RMS shall at all times protect the Owner's intellectual property and trademark rights with respect to the Project.

10. Assignment of Purchase Contracts

10.1 The Owner agrees that upon becoming aware that a Unit purchaser is seeking to assign its interest in the Unit (or a parking stall, storage locker or other right in or at the Project sold by the Owner to that purchaser), and if the Owner approves the purchaser's request to assign the interest in accordance with the applicable Contract between the Owner and the purchaser in respect of the Unit, then the Owner will recommend to the purchaser that the purchaser engage RMS as its exclusive listing agent in respect of such assignment. The Owner shall pay RMS an administration fee equal to \$1000 for each such assignment of a Unit, which fee shall be payable on or before the effective date of the assignment.

11. Confidentiality

11.1 Subject to section 11.2, each party will hold in confidence any and all Confidential Information during the Term of this Agreement and at all times following the Termination Date, provided that the provisions of this section will not restrict either party from disclosing Confidential Information to its professional advisors (including its consultants, advisors and solicitors) and its lenders.

11.2 The obligation to maintain the confidentiality of Confidential Information does not apply to information, documentation, records, plans or designs:

- (a) which the other party confirms in writing is not required to be treated as Confidential Information;
- (b) which is or comes into the public domain otherwise than through any disclosure prohibited by this Agreement;
- (c) to the extent any person is required to disclose such Confidential Information by law or by any governmental authority or to the extent RMS is required to disclose such Confidential Information to comply with its obligations under REDMA or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*; or

- (d) that is received by the party on a non-confidential basis from a source other than the other party to this Agreement, provided that to the best knowledge of the recipient party after due inquiry, the source of the information was not bound by a confidentiality agreement or other obligation of secrecy with respect to the information.

11.3 Each party specifically acknowledges and agrees that a breach of the terms of this section 11 by it may cause irreparable harm to the disclosing party not compensable in damages. Each party further acknowledges and agrees that, as monetary damages may not be a sufficient remedy for any breach of this section 11, it is essential to the effective enforcement of this section 11 that the disclosing party be entitled to seek the remedy of injunctive relief and specific performance as a remedy for any such breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this section 11 by any party but shall be in addition to all other remedies available to disclosing party at law or in equity.

12. Sale and Assignment

12.1 RMS shall not assign this Agreement, in whole or in part, without the prior written consent of the Owner, which consent may be arbitrarily withheld; except that RMS may assign its rights and obligations hereunder to a party related to or affiliated with RMS without the Owner's prior consent.

12.2 The Owner shall not assign this Agreement, in whole or in part, without the prior written consent of RMS, which consent may be arbitrarily withheld, provided that the Owner may, without the prior consent of RMS, assign this Agreement to an affiliate of the Owner where such affiliate is the new owner of the Project. For the purposes of this Agreement "affiliate" includes an affiliate as that term is defined in the British Columbia *Business Corporations Act*, and a partnership or other non-corporate entity related to the Owner. For the avoidance of doubt, no assignment of any rights or obligations of the Owner under this Agreement shall operate as a release of the Owner with respect thereto.

12.3 If the Owner at any time during the Term enters into an agreement to sell, transfer, assign or otherwise dispose of the Project or any portion thereof other than single Unit sales (a "Transfer") to a third party (the "New Party"), the Owner will not later than 30 days prior to the intended closing date of such Transfer give written notice thereof to RMS and unless the New Party has prior to the effective date of the Transfer entered into an agreement with RMS assuming the obligations of the Owner hereunder and retaining RMS as the marketing manager for the Project on the terms and conditions hereof and otherwise on terms satisfactory to RMS acting reasonably, the Owner will pay to RMS, in addition to any monies then due and owing to RMS hereunder to the date of the Transfer and in addition to any other amounts payable under section 7.5, a lump sum payment for the termination of this Agreement in the amount of 20% of the Commission that would have been payable to RMS if RMS had procured the sale of all of the Units in the Project (the "Transfer Compensation"), provided that the Transfer Compensation will be no less than \$500,000. For clarity, a Transfer to a New Party does not include an assignment to an entity that is affiliated or related to the Owner for purposes of developing the Project, made in accordance with section 12.2.

13. Notices

13.1 Any notice, payment or other communication required or permitted to be given or served pursuant to this Agreement will be deemed to be well and sufficiently given if in writing and delivered to the address as follows:

- (a) **If to the Owner:**
c/o 105 University View Homes Ltd.
 Thind Properties
 Attn: Daljit Thind
 4211 Kingsway, Suite 700
 Vancouver, BC V5H 1Z6

Fax: ♦
 Email: bonnie@thind.ca

If to RMS:

Rennie Marketing Systems
 Attention: Greg Zayadi
 51 E. Pender Street
 Vancouver, BC V6A 1S9

Fax: (604) 688-3405
 Email: gzayadi@rennie.com

and shall be deemed to have been received on the date in which it was delivered if in person or if transmitted by facsimile during the regular business hours of the party receiving such notice, on the date it was transmitted.

14. Accounts and Records

14.1 RMS shall keep proper accounts and records of all expenditures made in connection with the Reimbursable Costs and all invoices, receipts and vouchers relating thereto. Such accounts, records, invoices, receipts and vouchers shall at all times during this Agreement and for two years following termination of this Agreement be open to audit and inspection by the Owner on reasonable notice during RMS's regular business hours.

15. No Relationship Between Parties

15.1 Each party expressly disclaims any intention to create a partnership and, other than for the purposes expressly set forth in section 5.1, RMS shall not be the agent of the Owner and shall not enter or purport to enter into any contract on behalf of the Owner or act on its behalf. This Agreement shall not be construed as appointing either party a fiduciary, associate or representative of the other party, or giving a party an interest in the business or property of the other party hereunder.

16. General

16.1 Concurrently with its execution of this Agreement, the Owner will provide to RMS a duly completed copy of the "Corporation/Entity Identification Information Record" set out as Schedule "A" to this Agreement, providing the information about the Owner required in sections A.1 and, if applicable, A.2 of the Schedule, and, to the extent applicable, the information required under section B of the Schedule, by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

16.2 All the terms and provisions of this Agreement shall be binding upon and ensure to the benefit of and be enforceable by the parties hereto, their respective successors and permitted assigns.

16.3 If any provision hereof is determined to be void or unenforceable in whole or in part by a court or forum of competent jurisdiction, the remaining provisions shall remain in full force and effect.

16.4 No failure of either party to exercise or enforce any of its rights under this Agreement will act as a waiver of such rights, nor will a failure by either party to enforce any provision of this Agreement be deemed a waiver of future enforcement of that or any other provision.

16.5 Time shall be of the essence of this Agreement.

16.6 This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereto, and shall supersede all prior written or oral agreement between the parties and shall not be amended or altered without the prior written agreement executed by duly authorized officers of each party hereto.

16.7 and 105 University acknowledge and agree that they are jointly and severally liable for the obligations of the Owner under this Agreement.

16.8 Neither party shall be liable to the other for special, indirect or consequential damages suffered or incurred by the other party arising as a result of this Agreement.

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

IN WITNESS WHEREOF each party shall signify their acceptance and agreement with the foregoing, by signing where indicated below, whereupon this letter will constitute the Owner's and RMS's agreement with respect to the subject matter hereof.

Agreed to this 7th day of October, 2021

RENNIE MARKETING SYSTEMS, by its partners:

RENNIE PROJECT MARKETING CORPORATION

541823 B.C. LTD.

Per: [Signature]
Name: ~~Kris Rennie~~ GREG ZAMAS
PRESIDENT

Per: [Signature]
Name: ~~Kris Rennie~~ GREG ZAMAS
PRESIDENT

Agreed to this 5 day of July, 2021

105 University VIEW HOMES LTD.

105 University

Per: [Signature]
Name: ~~Daljit Thind~~ Bonnie Leung
Title: Vice President

Per: _____
Name: _____
Title: ◆

[Handwritten initials]

[Handwritten initials]

Guarantee and Indemnity

In consideration of One Dollar and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the undersigned does hereby guarantee the obligations of the Owner (as described above) to Rennie Marketing Systems ("RMS"), and does hereby indemnify and save RMS harmless from all losses, damages and expenses which RMS may suffer or incur by reason of or in any way connected to or arising from the Owner failing to observe and perform its obligations in this Agreement.

105 University View Homes Ltd.
(Name of Guarantor)

Per: ◆ [Signature]
Bonnie Leung
Vice President

SCHEDULE "A"

FINTRAC CORPORATE IDENTIFICATION FORM

Corporation/Entity Identification Information Record

NOTE: A Corporation/Entity Identification Information Record is required by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. This Record must be completed by the REALTOR® member whenever they act in respect to the purchase or sale of real estate. It is recommended that the Corporation/Entity Identification Information Record be completed:

- (i) for a buyer when the offer is submitted and/or a deposit made, and
- (ii) for a seller when the seller accepts the offer.

Transaction Property Address:

 Sales Representative/Broker Name:
 Date:

A.1. Verification of Corporation

NOTE: Either section A.1 or A.2 must be completed for your corporate/entity clients or unrepresented entities that are not clients, but are parties to the transaction (e.g. unrepresented buyer or seller). Where you are unable to identify an unrepresented entity, complete section A.3 and consider sending a Suspicious Transaction Report to FINTRAC if there are reasonable grounds to suspect that the transaction involves the proceeds of crime, or terrorist activity. Where you are using an agent or mandatory to verify the existence of an entity, see procedure described in CREA's materials on REALTOR Link®.

- 1. Name of Corporation:
- 2. Corporate Address:
-
- 3. Nature of Principal Business:
- 4. Name of Directors: As set out in certificate of corporate status or other record confirming corporation's existence.

5. Type and Source of Verification Record:
 Must confirm existence of the corporation (e.g., certificate of corporate status, published annual report, government notice of assessment). If record is in paper format, a copy must be kept. If record is an electronic version, a record of the corporation's registration number and type and source of record (e.g., Corporations Canada website) must be kept.

- 6. Registration number of corporation:
- 7. Attach a copy of corporate records showing authority to bind corporation regarding transaction:
 (e.g., certificate of incumbency, articles of incorporation, by-laws setting out officers duly authorized to sign on behalf of corporation)

A.2. Verification of Other Entity (if applicable)

- 1. Name of other entity:
- 2. Address:
-
- 3. Nature of Principal Business:
- 4. Type of Verification Record: Must confirm existence of other entity (e.g., partnership agreement, articles of association).

- 5. Source of Record: Record may be paper or an electronic version. If record is in paper format, a copy must be kept. If record is an electronic version, a record of the entity's registration number and type and source of record must be kept.
-
- 6. Registration number:



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Corporation/Entity Identification Information Record

A.3 Unrepresented Entity Reasonable Measures Record (if applicable)

Only complete this section when you are unable to ascertain the existence of an unrepresented entity.

1. Measures taken to Confirm Existence (check one):

- Asked unrepresented entity for information to confirm their existence
- Other, explain:
- Date on which above measures taken:

2. Reasons why measures were unsuccessful (check one):

- Unrepresented entity did not provide information
- Other, explain:

B. Verification of Third Parties

NOTE: Only complete Section B for your clients. Complete this section of the form to indicate whether a client is acting on behalf of a third party. Either B.1 or B.2 must be completed.

B.1 Third Party Reasonable Measures

Where you cannot determine whether there is a third party, or there is no third party, complete this section.

Is the transaction being conducted on behalf of a third party according to the client? (check one):

- Yes
- No

Measures taken (check one):

- Asked if client was acting on behalf of a third party
- Other, explain:
- Date on which above measures taken:

Reason why measures were unsuccessful (check one):

- Client did not provide information
- Other, explain:

Indicate whether there are any other grounds to suspect a third party (check one):

- No
- Yes, explain:

B.2 Third Party Record

Where there is a third party, complete this section.

1. Name of other entity:
2. Address:
3. Date of Birth (if applicable):
4. Nature of Principal Business or Occupation:
5. Incorporation number and place of Issue (if applicable):
6. Relationship between third party and client:



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Corporation/Entity Identification Information Record

NOTE: Only complete Sections C and D for your clients.

C. Client Risk (ask your Compliance Officer if this section is applicable)

Determine the level of risk of a money laundering or terrorist financing offence for this client by determining the appropriate cluster of client in your policies and procedures manual this client falls into and checking one of the checkboxes below:

Low Risk

- Canadian Corporation or Entity
 Foreign Corporation or Entity that does not operate in a High Risk Country
 Other, explain:

Medium Risk

- Explain:

High Risk

- Foreign Corporation or Entity that operates in a High Risk Country
 Other, explain:

If you determined that the client's risk was high, tell your brokerage's Compliance Officer. They will want to consider this when conducting the overall brokerage risk assessment, which occurs every two years. It will also be relevant in completing Section D below. Note that your brokerage may have developed other clusters not listed above. If no cluster is appropriate, the agent will need to provide a risk assessment of the client, and explain their assessment, in the relevant space above.



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Corporation/Entity Identification Information Record

D. Business Relationship

(ask your Compliance Officer when this section is applicable)

D.1. Purpose and Intended Nature of the Business Relationship

Check the appropriate boxes.

Acting as an agent for the purchase or sale of:

- Land for Commercial Use
- Commercial property
- Other, please specify:

D.2. Measures Taken to Monitor Business Relationship and Keep Client Information Up-To-Date

D.2.1 If the client is a corporation, ask if its name and address and name of its directors have changed and if they have include the updated information on page one, if the client is an entity other than a corporation, ask if its name, address and principal place of business has changed and if they have include the updated information on page one.

D.2.2 Keep all relevant correspondence with the client on file in order to maintain a record of the information you have used to monitor the business relationship with the client. Optional - if you have taken measures beyond simply keeping correspondence on file, specify them here:

D.2.3. If the client is high risk you must conduct enhanced measures to monitor the brokerage's business relationship and keep their client information up to date. Optional - consult your Compliance Officer and document what enhanced measures you have applied:

D.3 Suspicious Transactions

Don't forget, if you see something suspicious during the transaction report it to your Compliance Officer.

Consult your policies and procedures manual for more information.

E. Terrorist Property Reports

Don't forget to follow your brokerage's procedures with respect to terrorist property reports. Consult your policies and procedures manual for more information.



SCHEDULE "C"
SALES FEE RETAINER

Subject to the terms and conditions of this Agreement, the Owner shall pay a total Sales Retainer Fee of \$50,000, plus applicable taxes, comprised of sales staff retainer fees in accordance with the following schedule:

Sales Staff Retainer Fees	
Due Date	Fee Amount
Sales Staff Retainer Fee	\$50,000
Start date for monthly payments	30 days prior to start of Sales

The sales staff retainer fees will be deemed to be earned and will be invoiced 30 days prior to start of the estimated sales date. The Owner shall pay the sales staff retainer fees within 15 days of receipt of an invoice from RMS. The Owner and RMS agree that the sales staff retainer fees will be considered earned and non-refundable until the Vendor has filed an Amendment with the Superintendent of Real Estate to confirm obtaining satisfactory financing commitment and building permit related to the Project, and thereafter the fee will be credited back against the Commissions due and payable pursuant to section 3.7(a). The Owner and RMS reserve the right to adjust the start date, provided the request is mutually agreed upon in writing.

SCHEDULE "B"
BONUS CRITERIA

Per section 3.3 of the Agreement and subject to the terms and conditions of this Agreement, the bonus condition in accordance with the following schedule:

BONUS CRITERIA	FEE AMOUNT	INITIALS
Eligible Bonus Amount	An additional 0.25% of the Net Contract Price on all Units Sold at the time of Completion.	
Bonus Determination Date		
Price Per Square Foot prior to start of sales		
Target Price Per Square Foot to achieve bonus at Completion		

The Target Price Per Square Foot to achieve the bonus at Completion shall be determined no later than 30 days prior to the expected Disclosure Statement filing date.

APPENDIX K
[ATTACHED]

AGREEMENT OF PURCHASE AND SALE

BETWEEN

KSV RESTRUCTURING INC.

- AND -

1419195 B.C. LTD.

DATED AS OF

MARCH 12, 2025

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT (the “**Agreement**”) is made as of March 12, 2025,

BETWEEN:

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

(in such capacity, the “**Receiver**”)

-and-

1419195 B.C. LTD., a company incorporated under the laws of British Columbia with an address at #201, 204 Cayer Street, Coquitlam, British Columbia, V3K 5B1

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

WHEREAS:

- A. On November 8, 2024, the Supreme Court of British Columbia (the “**Court**”) pronounced an Order (the “**Receivership Order**”) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and section 39 of the *Law and Equity Act* (British Columbia), appointing KSV Restructuring Inc. as the Receiver, without security, of the Lands (as defined below) and all right, title and interest of 105 University View Homes Ltd. (together with District Northwest Limited Partnership, the “**Initial Debtors**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including the proceeds thereof (collectively, the “**Receivership Property**”);
- B. Pursuant to the Receivership Order the Receiver was authorized to, among other things, market the Receivership Property for sale and apply for an order of the Court approving the sale of the Receivership Property and vesting in and to a purchaser all of the Initial Debtors’ right, title and interest in and to the Receivership Property;
- C. The Receiver intends to seek approval of an amended and restated Receivership Order (the “**Amended and Restated Receivership Order**”), among other things, expanding the scope of the Receivership Order by appointing KSV Restructuring Inc. as the receiver, without security, of all of the GP’s (as defined below) presently owned or held personal property of whatsoever nature and kind pertaining to the Lands;
- D. Contemporaneously with seeking approval of an Amended and Restated Receivership Order, 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) the Receiver’s entry into this Agreement solely as a “**stalking horse bid**” pursuant to the Sale Procedure; and (c) the Break Fee (as defined below); and
- E. Subject to the terms and conditions contained herein and the granting of the Amended and Restated Receivership Order and the Sale Procedure Order, the Purchaser has agreed to make a “**stalking horse bid**” to purchase the Purchased Interests (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 in accordance with the Sale Procedure, the Receiver has agreed to issue and sell, and the Purchaser has agreed to purchase, the Purchased Interests on the terms and subject to the conditions set out in this Agreement, in accordance with the Sale Procedure and the Sale Procedure Order 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 (as defined below) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

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.

“Addendum to Pre-Sale Contract” means an addendum to a Pre-Sale Contract which, among other matters, shall: (i) amend the definition of the **“Outside Date”**, as that term is defined in each Pre-Sale Contract, to December 31, 2030; (ii) include an acknowledgement from the Buyer that the Buyer has received and read the New Disclosure Statement; and (iii) permit the Receiver to transfer all deposits under the Retained Pre-Sale Contracts to another person who is authorized pursuant to REDMA to hold such deposits.

“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.

“Agreement Affecting the Shares/Partnership Interests” means, other than the rights of the Purchaser under this Agreement, any outstanding or authorized purchase agreements, options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares or partnership interests or units in the Debtors or obligating the Debtors to issue or sell any shares or partnership interests or units of, or any other interest in, the Debtors, any voting trusts or agreements, pooling agreements, unanimous shareholder agreements, other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any shares or interests of the Debtors, or any other like agreements that relate to the shares or partnership interests or units of the Debtors or that are exchangeable or convertible into shares, interests or units of the Debtors.

“Amended and Restated Receivership Order” shall have the meaning set out in the Recitals hereto.

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

“**Assignee**” shall have the meaning set out in Section 3.3.

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

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

“**Bonds**” means those letters of credit and cash security listed in Schedule “C”, as may be amended by the Parties on or before April 30, 2025, and any claims, refunds, rebates, reductions, causes of action, rights of recovery, rights of set-off, subrogation and rights of recoupment in respect of such Bonds.

“**Books and Records**” means all of the Debtors’ books and records at the Closing Date, 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.

“**Break Fee**” means an amount equal to \$1,000,000.00.

“**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.

“**Buyers**” means purchasers, from the Debtors (or certain of them), as vendors, of units in the Development, and “**Buyer**” means any one of them.

“**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 issue and sale of the Purchased Interests, including, without limitation, the payment of the Purchase Price and the delivery of the Closing Documents, on the Closing Date.

“**Closing Date**” means the date that is ten (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 7.2 and the agreements, instruments and other documents to be delivered by the Purchaser to the Receiver or the Receiver’s Solicitors pursuant to Section 7.3.

“**Closing Sequence**” shall have the meaning set out in Section 7.1.

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

“**Contracts**” means all contracts, agreements, deeds, licences, leases, obligations, commitments promises, undertakings, engagements, understandings or arrangements to which the Debtors are a party to or by which the Debtors are bound or those under which the Debtors have, or will have at Closing, any right, obligation, or Liability or contingent right, obligation, or Liability (in each case, whether written or oral, express or implied) or under which any Claims or Encumbrances against the Debtors arise, but does not include Pre-Sale Contracts.

“**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, the GP, and the Nominee.

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

“**Development**” means the development project consisting of two towers with 1,023 units know as “**District Northwest**” to be constructed on the Lands.

“**Development Fees**” means those fees paid with respect to the Development, whether by the Debtors or on behalf of the Debtors, to a Governmental Authority required to obtain or maintain existing Development Rights.

“**Development Rights**” means all permits, municipal rezoning and development applications and development rights relating to or in connection with the Lands and any claims, refunds, causes of action, rights of recovery, rights of set-off, subrogation and rights of recoupment for Development Fees.

“**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 Interests or the Retained 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 Interests or the Retained Assets or any part thereof or interest therein.

“**Environmental Laws**” means all Applicable Laws relating to the environment.

“**Excise Tax Act**” means the *Excise Tax Act* (Canada).

“**Excluded Assets**” means any asset of the Debtors that is not a Retained Asset, including the Purchase Price and any and all shares, securities, warrants, options, equity interests and partnership interests or units owned by any of the Debtors of, in or with respect to any Person other than any of the Debtors.

“Excluded Contracts” means all Contracts and Pre-Sale Contracts other than the Retained Contracts and the Retained Pre-Sale Contracts.

“Excluded Liabilities” means any and all Liabilities of the Debtors that are not Retained Liabilities, including any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which any Debtor may be bound as at the Closing, all Liabilities relating to or under the Excluded Contracts and Excluded Assets, any Liabilities of any of the Debtors arising in connection with the assignment of the Excluded Liabilities and Excluded Contracts to Residual Co. and the assumption by Residual Co. of same, any Liabilities arising in connection with the transfer and/or vesting of any Excluded Contracts and Excluded Assets from any of the Debtors to Residual Co., and any Liabilities or Claims relating to or in connection with any event, occurrence or circumstance or failure to perform, improper performance, breach, default or violation by any of the Debtors, at any time prior to the Closing.

“Final Order” means, in respect of any Order, such Order after the expiry of applicable appeal periods or 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 or appellate tribunal.

“Governmental Authority” means any government, regulatory authority, government department, agency, utility, transportation authority, 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.

“GP” means Surrey Centre District NW GP Ltd.

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

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

“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: (a) deemed hazardous or toxic under Environmental Laws; (b) prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws; or (c) present to a degree or in an amount in excess of thresholds regulated under Environmental Laws.

“Initial Debtors” shall have the meaning set out in the Recitals hereto.

“Insurance Rights” means all rights of the Debtors of every nature arising out of all insurance policies relating to any of the Retained Assets 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 Retained Assets, including trademarks, copyright, drawings, plans, inventions, works, designs, and know-how.

“Lands” means the lands and premises in Surrey, British Columbia legally described as PID: 031-746-667, Lot A Section 22 Block 5 North Range 2 West New Westminster District Plan EPP111526.

“Land Title Office” means the Land Title and Survey Authority of British Columbia, land title office applicable to the Lands.

“Liability” means, with respect to any Person, any cost, expense, charge, debt, commitment, liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Limited Partnership” means District Northwest Limited Partnership.

“LP Interest” means all the issued and outstanding limited partnership units in the capital of the Limited Partnership, representing all of the partnership interest in the Limited Partnership other than the partnership interest of the GP.

“Mutual Conditions” shall have the meaning set out in Section 5.1.

“New Disclosure Statement” means a disclosure statement for the Development pursuant to REDMA in form and substance satisfactory to the Receiver, in consultation with the Purchaser.

“New LP Units” means a number of units in the Limited Partnership, together with any and all rights and interests, collectively representing 100% of the limited partnership interest in the Limited Partnership following the Closing.

“Nominee” means 105 University View Homes Ltd.

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

“Notice” shall have the meaning set out in Section 12.18.

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

“Outside Date” shall mean September 10, 2025 or such other date as the Parties may agree to in writing.

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

“Person” is to be broadly interpreted and includes an individual, partnership (limited or general), corporation, trust, unincorporated organization, Governmental Authority, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.

“Pre-Sale Contracts” means, collectively, those contracts between the Debtors (or certain of them), as vendor, and the Buyers for the purchase and sale of units in the Development, and **“Pre-Sale Contract”** means any one of them.

“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.

“Property Transfer Tax” means any transfer tax imposed on the Purchaser pursuant to the provisions of the *Property Transfer Tax Act* (British Columbia) and/or any other applicable legislation whether enacted before or after the date hereof.

“Provincial Sales Tax Act” means the *Provincial Sales Tax Act* (British Columbia).

“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 \$86,000,000.00.

“Purchased Interests” means, together, the New LP Units and the Subscribed Shares.

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

“Purchaser’s Conditions” shall have the meaning set out in Section 5.3.

“Purchaser’s Solicitors” means Fasken Martineau DuMoulin 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 Fees” means those fees paid by the Receiver to any Governmental Authority required for the issuance of a building and/or excavation permit by the City of Surrey for the Development on or before March 21, 2025, as approved by the Purchaser, acting reasonably.

“**Receiver’s Borrowings Charge**” shall have the meaning ascribed to it in the Receivership Order.

“**Receiver’s Conditions**” shall have the meaning set out in Section 5.2.

“**Receiver’s Solicitors**” means Bennett Jones 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 KSV Restructuring Inc. was appointed as Receiver over the Receivership Property.

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

“**REDMA**” means the *Real Estate Development Marketing Act* (British Columbia).

“**Released Persons**” means the Receiver, the Debtors, and the directors, officers, partners, shareholders, employees, agents, professional advisors, successors and assigns of any of the foregoing.

“**Residual Co.**” means a new corporation to be incorporated by the Debtors or the Receiver prior to Closing.

“**Retained Assets**” means the following assets of the Debtors:

- (a) the Property;
- (b) the Accounts Receivable;
- (c) the Books and Records;
- (d) the Intellectual Property;
- (e) the Insurance Rights;
- (f) the Retained Contracts;
- (g) the Retained Pre-Sale Contracts;
- (h) the Nominee Shares;
- (i) the Bonds; and
- (j) all of the Debtors’ monies and cash prior to Closing, including any held in a cash collateral account, any amount held by the City of Surrey as security, and all cash held as collateral security for outstanding letters of credit or letters of guarantee, provided that, in each case, such monies and cash shall not include monies advanced pursuant to the Receiver’s borrowings, the Deposit or the Purchase Price.

“**Retained Contracts**” means those Contracts identified in Schedule “B”, as may be amended by the Parties on or before April 30, 2025.

“Retained Liabilities” means:

- (a) any Liabilities in respect of Sales Taxes;
- (b) the Receiver’s estimated pro-rata share of property taxes for the 2025 calendar year, any property taxes, arrears thereof and interest accruing thereon remaining unpaid as of the Adjustment Date for any previous calendar years, and all other amounts that would ordinarily be adjusted for in a typical commercial real estate transaction between sophisticated parties, in respect of which, in each case, the Purchaser shall be entitled to a credit pursuant to Section 3.5(d);
- (c) all Liabilities under the TransLink Retained Contracts;
- (d) all Liabilities relating to the Retained Assets, including under the Retained Contracts (other than the TransLink Retained Contracts), arising out of events or circumstances that occur after the Closing, exclusive of, for greater certainty, any Liabilities or Claims relating to or in connection with (i) any event, occurrence or circumstance or (ii) failure to perform, improper performance, breach, default or violation by any of the Debtors, at any time prior to the Closing;
- (e) all Liabilities under the Development Rights owing to the City of Surrey, to the extent they form part of the Retained Assets; and
- (f) all Liabilities under the TransLink Side Letter Agreement owing to Translink,

provided that the Retained Liabilities shall not include any obligations arising from any negligence or willful misconduct of the Debtors arising prior to the Closing Date.

“Retained Pre-Sale Contracts” means those Pre-Sale Contracts which are in full force and effect as of the Closing Date, including, for greater certainty, all deposits provided pursuant to such Pre-Sale Contracts and all claims, causes of action and rights in relation to such deposits.

“Reverse Vesting Order” means a reverse vesting order of the Court, substantially in the form attached hereto as Schedule “D”, among other things:

- (a) authorizing and approving this Agreement and the Transaction;
- (b) authorizing the incorporation of Residual Co. and adding Residual Co. as a respondent in the Receivership Proceedings;
- (c) transferring and vesting all of the Excluded Assets, Excluded Contracts, and Excluded Liabilities (including, for greater certainty, all Claims and Encumbrances other than the Retained Liabilities and Permitted Encumbrances) to and in Residual Co.;
- (d) on completion of the Transaction, vesting title to the Purchased Interests in and to the Purchaser, free and clear of all Claims and Encumbrances except the Retained Liabilities and Permitted Encumbrances;
- (e) releasing the Purchaser, the Debtors, the Purchased Interests and the Retained Assets from any and all: (A) Claims, Encumbrances and the Excluded Liabilities existing immediately prior to the Closing Date; (B) Claims arising from or in respect of the insolvency of any of

the Debtors prior to the Closing Date; (C) Claims arising from or in respect of the commencement or existence of the Receivership Proceedings; or (D) Claims arising from or in respect of the completion of the Transaction (other than any Sales Taxes);

- (f) approving the Debtors granting any security required with respect to any mortgage financing to be obtained by the Purchaser from KingSett Mortgage Corporation to fund the payment of the Purchase Price in accordance with this Agreement, authorizing the registration of a Form B mortgage and assignment of rents against title to the Property in favour of KingSett Mortgage Corporation, and appointing a signatory of the Purchaser as an authorized signatory of each of the Debtors to execute the mortgage and assignment of rents, and any other security documents required by KingSett Mortgage Corporation as part of such mortgage financing, in the name and on behalf of the Debtors (provided that the Purchaser will provide the name of such authorized signatory to the Receiver on or before the date that is thirty (30) days following execution of this Agreement by the Parties);
- (g) confirming the Retained Pre-Sale Contracts are in full force and effect, and denying the Buyers any right to terminate, rescind, or repudiate their Retained Pre-Sale Contracts, or to take the position they are not enforceable, by reason of any matter arising before the Closing Date;
- (h) confirming that the issuance of the Purchased Interests to the Purchaser shall be effective notwithstanding the provisions of any Agreement Affecting the Shares/Partnership Interests, and any and all Agreements Affecting the Shares/Partnership Interests shall be cancelled and of no further force and effect;
- (i) confirming that any and all shares, securities, warrants, options, equity interests and partnership interests or units in any of the Debtors, if any, other than the Purchased Interests (and the partnership interest in the Limited Partnership held by the GP, and the Nominee Shares held by the Limited Partnership), shall be cancelled and of no further force and effect, for no consideration, such that the Purchased Interests shall represent 100% of the outstanding equity or partnership interests or units, as applicable, in the Debtors (other than the partnership interest in the Limited Partnership held by the GP, and the Nominee Shares held by the Limited Partnership) as of the Closing Date; and
- (j) removing the Debtors from the Receivership Proceedings and releasing them from the purview of all Orders of the Court granted in respect of the Receivership Proceedings, save and except for the Reverse Vesting Order.

“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 “F”, with such amendments as are acceptable to the Receiver and the Purchaser, among other things, approving the Sale Procedure, and 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.

“**Statement of Adjustments**” shall have the meaning set out in Section 3.6.

“**Subscribed Shares**” means a number of Common Shares in the GP, to be advised by the Purchaser, which will be issued on Closing, and which will represent 100% of the equity interest in the GP following Closing.

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

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

“**Tax Returns**” means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“**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, collectively, all of the transactions contemplated by this Agreement, including, among other things, the purchase and sale of the Purchased Interests for the Purchase Price and the transfer by the Debtors to Residual Co. of the Excluded Assets, Excluded Contracts, and Excluded Liabilities, each on and subject to the terms set forth herein.

“**TransLink**” shall mean the South Coast British Columbia Transportation Authority.

“**TransLink Retained Contracts**” means, collectively, the letter agreement dated January 10, 2018, as supplemented by a letter agreement dated March 13, 2018 and a joinder agreement dated March 1, 2022, among TransLink and the Debtors (or certain of them), and the letter agreement dated September 20, 2022 and accepted by the Debtors (or certain of them) on September 28, 2022, among TransLink and the Debtors (or certain of them), and any other agreements that the Debtors (or certain of them) are party to related thereto.

“**TransLink Side Letter Agreement**” shall mean an agreement in form and substance acceptable to the Receiver and the Purchaser, each acting reasonably, pursuant to which the Purchaser shall agree to, among other things: (a) obtain or cause the Debtors to obtain TransLink’s prior written consent as evidenced by one or more consent agreements prior to commencing excavation or construction on the Lands; (b) re-engage or cause the Debtors to engage or re-engage its or their design team to address TransLink’s outstanding comments on the design and work methodology,

and complete the Development project design review to TransLink's satisfaction; (c) provide or cause the Debtors to provide additional securities and assurances for the construction of the Development, including letters of credit in the aggregate amount of \$1,250,000, and proof of wrap up liability insurance in the amount of at least \$50,000,000; (d) pay or cause the Debtors to pay the amount necessary to satisfy all outstanding invoices payable to TransLink by the Debtors to the Receiver upon the Closing; and (e) replenish or cause the Debtors to replenish any drawn upon letters of credit, as applicable, prior to resumption of the design review process.

"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" – Permitted Encumbrances;
- (b) Schedule "B" – Retained Contracts;
- (c) Schedule "C" – Bonds;
- (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: (a) generally to this Agreement and not to any particular article, Section or other portion of this Agreement; and (b) 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 Including

Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

1.7 Gender and Number

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

1.8 No Strict Construction

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.9 Statute References

Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, reenactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

1.10 Document References

All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.11 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.

1.12 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 Interests

Subject to the terms and conditions of this Agreement, on the Closing Date in accordance with the Closing Sequence, the Receiver shall issue, sell, transfer, convey and assign the Purchased Interests to the Purchaser, and the Purchaser shall purchase the Purchased Interests from the Receiver, free and clear of all Encumbrances (other than the Permitted Encumbrances), and in consideration thereof, the Purchaser shall pay the Purchase Price in accordance with the terms of Article 3.

2.2 Binding Agreement

The agreement of the Receiver and the Purchaser set forth in Section 2.1 creates and constitutes a binding agreement of purchase and sale for the Purchased Interests.

2.3 Acknowledgement of Purchaser as to Condition of the Purchased Interests and Retained Assets

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

- (a) the Purchased Interests (and indirectly the Retained Assets) are being sold and purchased and the Transaction is being effected on an “as-is, where-is” and “without recourse” 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, or with respect to any of the Purchased Interests or any of the Retained Assets, including title thereto and/or the state of any of the Purchased Interests, the Retained Assets, Encumbrances or the Transaction, including: (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 Lands 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 Interests and to accept the Purchased Interests and the Retained 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 any of the Purchased Interests, the Retained Assets or any other assets, the Property Conditions or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes 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 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) neither the Receiver nor 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 any of the Purchased Interests or the Retained Assets on the part of the Receiver or the Debtors, or any other purported or acknowledged agent, representative, contractor, consultant, or employee of the Receiver, the Debtors, or any third party;

- (e) neither the Receiver nor the Debtors shall 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 Interests 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 Interests or the Retained 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 Transfer of Excluded Liabilities to Residual Co.

On the Closing Date, in accordance with the Closing Sequence and pursuant to the Reverse Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed by Residual Co. All of the Excluded Liabilities shall be discharged from and released as against the Debtors, the Purchased Interests and the Retained Assets as of the Closing, pursuant to the Reverse Vesting Order.

2.5 Transfer of Excluded Assets and Excluded Contracts to Residual Co.

On the Closing Date, the Debtors shall retain, free and clear of any and all Encumbrances, Claims, and Liabilities, other than the Retained Liabilities and Permitted Encumbrances, all of the Retained Assets owned by each of them on the date of this Agreement and any assets acquired by each of them up to and including Closing. For greater certainty, the Retained Assets shall not include the Excluded Assets or the Excluded Contracts, which the Debtors shall transfer to Residual Co., in accordance with the Closing Sequence, on the Closing Date and same shall be vested in Residual Co. pursuant to the Reverse Vesting Order.

2.6 Receiver's Capacity

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges and agrees that in all matters pertaining to the Sale Procedure, and this Agreement, including in its execution, KSV Restructuring Inc. has acted and is acting solely in its capacity as the Receiver and not in its personal, corporate or any other capacity, and KSV Restructuring Inc. and its directors, officers, partners, shareholders, employees, advisors and agents shall have no personal, corporate or other liability under or as a result of this Agreement, or otherwise in connection herewith. The provisions of this Section 2.6 shall not merge on, but shall survive, Closing.

ARTICLE 3 PURCHASE PRICE AND ADJUSTMENTS

3.1 Purchase Price

The Purchaser shall pay the Purchase Price, except the Deposit, on the Closing Date to the Receiver, as adjusted in accordance with Section 3.5 and 3.6.

3.2 Deposit

The Parties acknowledge that:

- (a) the Purchaser has, contemporaneously with its execution of this Agreement, remitted \$3,000,000.00 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 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 (5) 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 (5) 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) The Parties agree that (i) the Purchase Price is exclusive of any Sales Taxes, which are the responsibility of and for the account of the Purchaser; and (ii) the Purchase Price is inclusive of any Property Transfer Tax payable in connection with this Transaction. The Purchaser, or the Purchaser and any person or entity permitted to assume the obligations of the Purchaser under this Agreement pursuant to Section 12.17 (the “**Assignee**”), shall indemnify and hold the Receiver and its directors, officers, partners, shareholders, employees, advisors and agents harmless for any Liability (including any interest or penalties) as a result of any failure by the Purchaser, or such Assignee, to pay any Sales Taxes payable in respect of the Purchased Interests or the Transaction, which indemnity shall survive Closing.

- (b) Payment of PST. The Purchaser acknowledges that it may be liable to pay PST in respect of some or all of the Purchased Interests and, that it will report and remit as required by Applicable Laws any such PST that is due directly to the applicable taxing authority.
- (c) Tax Returns.
 - (i) The Receiver shall use commercially reasonable efforts to prepare or cause to be prepared and file or cause to be filed all Tax Returns for each Debtor for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date;
 - (ii) The Purchaser shall prepare or cause to be prepared and file or cause to be filed the Tax Returns for each Debtor for all Tax periods ending after the Closing Date; and
 - (iii) the Parties shall reasonably cooperate and shall provide each other with all materials necessary to prepare and file the Tax Returns for Tax periods ending in or before 2025.

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 Purchase Price and the Purchase Price provided for in Section 3.1, there shall not be any further adjustments to the Purchase Price.
- (b) Subject to the Closing, 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 retained by the Debtors or assumed by the Purchaser under any assignment and assumption agreements, and shall be entitled to all revenue from the Purchased Interests and Retained Assets. The Receiver and the Debtors shall be responsible for all expenses and entitled to all revenue from the Purchased Interests and Retained Assets for that period ending on the Adjustment Date.
- (c) The provisions of this Section 3.4 shall not merge on, but shall survive, Closing.

3.5 Specific Adjustments

- (a) All 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 Surrey for the purchase and sale of a property similar to the 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 Interests and Retained Assets prior to the Closing Date and the Purchaser will bear and pay all expenses and receive all income related to the Purchased Interests and Retained Assets from and after and including the Closing Date.
- (b) If 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. If 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 2025 calendar year, it shall forthwith remit them to the Purchaser.

- (c) The Receiver shall be entitled to a credit for Receiver Fees, if any.
- (d) The Purchaser shall be entitled to a credit for: (i) the Receiver's estimated pro-rata share of property taxes for the 2025 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.
- (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 Books and Records and any other accounting books, files, records and information of the Purchaser relating to the Purchased Interests, Retained Assets or Retained Liabilities, 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, setting out the 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 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 Purchase Price, the Purchaser, while still required to pay the Purchase Price on Closing, may wait to pay the 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 Purchaser's Solicitors, in trust, that portion of the Purchase Price not secured by the new mortgage;
- (b) fulfilled all of KingSett Mortgage Corporation's conditions for funding except submitting the mortgage for registration; and
- (c) made available to the Receiver or the Receiver's Solicitors, a lawyer's undertaking on terms satisfactory to the Receiver's Solicitors to pay the 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 Parties acknowledge that (i) this Agreement is subject to Court approval and the issuance of the Sale Procedure Order, and (ii) Closing the Transaction is subject to this Agreement being determined by the Receiver to be the Successful Bid in accordance with the Sale Procedure, and the issuance of the Reverse Vesting Order.
- (b) On or before March 24, 2025, the Receiver shall file and serve the Sale Procedure Application on notice to parties reasonably satisfactory to the Receiver and the Purchaser.
- (c) The Receiver shall use commercially reasonable efforts to obtain the Sale Procedure Order on or before April 4, 2025.
- (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.
- (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 the Closing Date, the Amended and Restated Receivership Order, the Sale Procedure Order and the Reverse Vesting Order shall have been granted by the Court and all such Orders will be the Final Orders (the “**Court Approval Condition**”), provided that if the Reverse Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed;
- (c) on or before April 30, 2025, the Parties, acting reasonably, shall have settled Schedule “B” and Schedule “C”, provided that any revisions to Schedule “B” or Schedule “C” shall not affect the Purchase Price; and
- (d) as at the Closing Date, there will be no Applicable Laws or Orders in effect that restrain or prohibit the consummation of the Transaction or the Closing or that have the effect of making the Transaction illegal.

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, acting reasonably; and
- (c) as at the Closing Date, the Purchaser will have delivered to the Receiver all items the Purchaser is required to deliver pursuant to Section 7.3.

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) on or before June 13, 2025 the Purchaser, acting reasonably, shall be satisfied that the Purchaser will not be required to file a new disclosure statement for the Development as a result of the Transaction;
- (b) on or before April 7, 2025 the Receiver shall file the New Disclosure Statement pursuant to REDMA and provide the Buyers with the New Disclosure Statement in compliance with the obligations of REDMA;
- (c) on or before June 6, 2025 at least:

- (i) that number of Pre-Sale Contracts which collectively have sale prices totaling \$420,000,000.00; or
- (ii) that number of Buyers whose Pre-Sale Contracts which collectively have deposits totaling \$63,000,000.00 (not including any accrued interest),

have executed and delivered to the Receiver an Addendum to Pre-Sale Contract and not exercised the right of rescission under REDMA;

- (d) on or before the Closing Date, the Purchaser has obtained a firm financing commitment from KingSett Mortgage Corporation for the Purchased Interests on terms satisfactory to the Purchaser;
- (e) 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;
- (f) as at the Closing Date, either at least:
 - (i) that number of Pre-Sale Contracts which collectively have sale prices totaling \$420,000,000.00; or
 - (ii) that number of Buyers whose Pre-Sale Contracts which collectively have deposits totaling \$63,000,000.00 (not including any accrued interest),

are all in good standing and in full force and effect, as amended by the Addendum to Pre-Sale Contract;

- (g) 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; and
- (h) as at the Closing Date, the Receiver will have delivered to the Purchaser all items it is required to deliver pursuant to Section 7.2.

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 satisfied or waived in the manner described above on or before the Closing Date, either Party may terminate this Agreement by Notice to the other Party in accordance with Section 12.18.

- (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 satisfied or waived by the Receiver on or before the Closing Date, the Receiver may terminate this Agreement by Notice to the Purchaser in accordance with Section 12.18.
- (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 satisfied or waived by the Purchaser on or before the Closing Date, the Purchaser may terminate this Agreement by Notice to the Receiver in accordance with Section 12.18.

5.6 Extension of Closing Date

- (a) The Receiver and the Purchaser may, exercisable by Notice to the other Party in accordance with Section 12.18 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 ten (10) Business Days by delivering to the other Party Notice to this effect no less than two (2) Business Days before the then scheduled Closing Date. In each such 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 (2) Business Days prior to the extended Closing Date.
- (c) Should any extension of the Closing Date pursuant to this 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 as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Interests:

- (a) **Authorization.** The Receiver has been appointed as the receiver of the Receivership Property pursuant to the Receivership Order, and subject to the Court Approval Condition, has the power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement.
- (b) **Status of the Receivership Order.** The Receivership Order is in full force and effect as of the date hereof.

- (c) **No Unauthorized Sales or Encumbrances.** The Receiver 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.
- (d) **Debtors' Residence.** To the Receiver's knowledge, none of the Debtors is, and none of the Debtors will be at the Closing, a non-resident of Canada for the purposes of section 116 of the *Income Tax Act* (Canada).

6.2 No Other Representations and Warranties of the Receiver

Except for the representations and warranties of the Receiver contained in Section 6.1 and without limiting the generality of the provisions of Section 2.3, 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 any of the Purchased Interests or the Retained Assets furnished or made available to the Purchaser and its representatives or as to the future revenue, profitability or success of any of the Purchased Interests or the Retained Assets, 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 as follows and acknowledges and agrees that the Receiver is relying upon such representations and warranties in connection with the sale by the Receiver of the Purchased Interests:

- (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) **Litigation.** There are no proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Authority, which would: (i) prevent the Purchaser from paying the Purchase Price to the Receiver; (ii) prohibit or seek to enjoin, restrict or prohibit the Transaction; or (iii) which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (g) **Consents.** Except for the issuance of the Reverse Vesting Order, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser, and all other agreements contemplated under this Agreement.
- (h) **Financial Ability.** The Purchaser will have, as of the Closing Date, (i) sufficient funds available for purposes of satisfying the Purchase Price and (ii) the resources and capabilities (financial or otherwise) to perform its obligations under this Agreement. The Purchaser has not, as of the date hereof, and will not have, as of the Closing Date, incurred any liability that would materially impair or adversely affect such resources and capabilities.
- (i) **Residence.** The Purchaser is not a non-resident of Canada for the purposes of the *Investment Canada Act* (Canada).
- (j) **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.
- (k) **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

7.1 Closing Sequence

On the Closing Date, Closing shall take place in the following sequence (the “**Closing Sequence**”):

- (a) first, the Purchase Price shall be paid in accordance with the terms of Article 3;
- (b) second, all of the Debtors’ right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in Residual Co. and all Claims and Encumbrances other than the Retained Liabilities and Permitted Encumbrances shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to their transfer, all in accordance with the Reverse Vesting Order;
- (c) third, the Excluded Liabilities and the Excluded Contracts shall be transferred to, assumed by, and vest absolutely and exclusively in Residual Co. (who shall be deemed to be party to such Excluded Contracts), and shall no longer be obligations of the Debtors, each of

which Debtor and its Retained Assets shall be forever released and discharged from such Excluded Liabilities and the Excluded Contracts, and all Encumbrances other than the Permitted Encumbrances shall be expunged and discharged as against the Retained Assets, all in accordance with the Reverse Vesting Order;

- (d) fourth, in consideration for the Purchase Price (i) the GP shall issue the Subscribed Shares to the Purchaser and the subscription for the New LP Units by and to the Purchaser shall be confirmed and recorded, and (ii) all of the right, title and interest in and to the Purchased Interests shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all Claims and Encumbrances other than the Permitted Encumbrances and Retained Liabilities;
- (e) fifth, all GP Shares and LP Interests that are issued and outstanding immediately prior to Closing (but for greater certainty, not including the Subscribed Shares or New LP Units) shall be redeemed, terminated and cancelled without any payment thereon, and (i) all redeemed GP Shares together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital and (ii) any and all units, capital account allocations, distribution or allocation rights, together with any agreements, contracts, plans, indentures, deeds, certificates, subscription rights, conversion rights, pre-emptive rights, options, or other documents or instruments governing or having been created or granted in connection with an interest in the Limited Partnership, other than those held by the GP and the New LP Units, shall be deemed terminated and cancelled without any payment or consideration in accordance with and pursuant to the Reverse Vesting Order; and
- (f) sixth, the Debtors shall cease to be party to the Receivership Proceedings and the Debtors shall be deemed to be released from the purview of the Receivership Order and all other Orders of the Court granted in the Receivership Proceedings, save and except for the Reverse Vesting Order the provisions of which (as they relate to the Debtors) shall continue to apply in all respects.

7.2 Receiver's Closing Deliverables

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

- (a) a certified copy of the Reverse Vesting Order;
- (b) an instrument of transfer conveying, or a share certificate in respect of, the Subscribed Shares to the Purchaser;
- (c) an instrument of transfer conveying, or a unit certificate in respect of, the New LP Units to the Purchaser;
- (d) the Statement of Adjustments;
- (e) 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;

- (f) a copy of the TransLink Side Letter Agreement, signed by the Receiver; and
- (g) 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.

7.3 Purchaser's Closing Deliverables

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 or the Receiver, as applicable, the following:

- (a) 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;
- (b) a copy of the TransLink Side Letter Agreement, signed by the Purchaser;
- (c) the Purchase Price, except the Deposit, as adjusted in accordance with Sections 3.5 and 3.6; and
- (d) 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 to 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 any of the Purchased Interests or the Retained Assets or that would form an Encumbrance on any of the Purchased Interests or the Retained 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 hold the Receiver and its directors, officers, partners, shareholders, employees, advisors and agents harmless from any and all Claims or Liabilities suffered or incurred as a result of the Purchaser exercising its rights pursuant to this Section 8.1(d).

8.2 Damage Before Closing

- (a) The Retained 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 Retained Assets in respect of which the cost of restoration is more than 10% of the Purchase Price, as determined by an arm's length, independent qualified expert engaged by the Receiver, within fifteen (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 the Purchased Interest(s), in which event the insurance proceeds (if any) payable in respect of such Purchased Interest(s) or damaged Retained 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 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 Interests, 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 Interests in accordance with Section 8.2(b)(i).
- (d) If loss or damage to any of the Retained Interests or Retained 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

Without limiting the generality of Sections 2.3 and 2.6, the Purchaser, on behalf of itself and any Assignee, 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 willful 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 willful 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 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 and without limiting the generality of the provisions of Section 2.3, 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.

10.3 Break Fee

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 Break Fee by the Receiver. Within 10 days of such termination of this Agreement, the Purchaser will deliver a request for payment of the Break Fee to the Receiver pursuant to Section 12.18, and the Receiver will pay the Purchaser the Break Fee within 30 days of the granting of an Order approving the applicable Successful Bid(s) from the proceeds thereof. For greater certainty, the Receiver's obligation to pay the Break Fee pursuant to this Section 10.3 is expressly subject to the Court's approval and the granting of the Sale Procedure Order.

10.4 Books and Records

The Purchaser shall cause each of the Debtors to preserve and keep the Books and Records retained by it pursuant to this Agreement for a period of 3 years after Closing, or for any longer period as may be required by any Applicable Laws. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent such electronic copies exist), available to the Receiver and any trustee in bankruptcy of Residual Co., and shall, at such party's sole expense, permit any of the foregoing persons to take copies of such Books and Records as they may reasonably require.

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 or the Amended and Restated Receivership Order are 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) 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 Interests as contemplated hereby;
- (d) by Notice from the Receiver to the Purchaser or from the Purchaser to the Receiver if (i) the Reverse Vesting Order has not been obtained by the Outside Date or (ii) the Court declines at any time to grant the Reverse Vesting Order, in each case for reasons other than a breach of this Agreement by the Party proposing to terminate this Agreement;
- (e) by Notice from the Receiver to the Purchaser or from the Purchaser to the Receiver if Closing has not occurred on or before 11:59 p.m. on the Outside Date, provided the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;

- (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 5.3 and such violation or breach has not been waived by the Purchaser or cured by the Receiver within five (5) 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; and
- (g) by the Receiver, if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 5.2 and such violation or breach has not been waived by the Receiver or cured by the Purchaser within five (5) Business Days of the Receiver providing Notice to the Purchaser of such breach, unless the Receiver is in material breach of its obligations under this Agreement.

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 10.3, 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 No Registration

The Purchaser will not register this Agreement or notice of this Agreement against title to the Lands.

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 Dispute Resolution

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement, such dispute shall be determined by the Court in the Receivership Proceedings, or by such other Person or in such other manner as the Court may direct.

12.6 Attornment

Each Party agrees that: (a) any legal proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose such legal proceeding in the Court

on any jurisdictional basis, including forum non conveniens; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 12.6.

12.7 Time of the Essence

Time shall be of the essence of this Agreement.

12.8 Public Disclosure

The Receiver shall be entitled to disclose this Agreement to the Court, to the parties in interest in the Receivership Proceedings and to any parties entitled to access in accordance with the Sale Procedure, and to publish this Agreement on the Receiver's case website established in accordance with the Receivership Order.

12.9 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.

12.10 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 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 Transaction, except as specifically set forth in this Agreement or the Schedules attached hereto.

12.11 Amendment

No supplement, modification or waiver or termination (except for terminations under Section 11.1(b) of this Agreement) shall be binding unless executed in writing by the Parties in the same manner as the execution of this Agreement.

12.12 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.

12.13 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

12.14 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.

12.15 Survival

All representations, warranties, covenants and agreements of the Receiver or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement will merge on and shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

12.16 Successors and Assigns

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.

12.17 Assignment

The Purchaser shall have the right to assign all or any portion of its rights or obligations hereunder to a related party of the Purchaser, provided the assignee agrees by an assignment and assumption agreement in form and substance satisfactory to the Receiver, acting reasonably, to be bound by the terms of this Agreement. Any such assignment shall not however release the Purchaser of its obligations under this Agreement. Subject to the foregoing, no Party may assign this Agreement or any of its rights or obligations without the prior written consent of the other Party.

12.18 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 and Jason Knight
Email: ngoldstein@ksvadvisory.com / jknight@ksvadvisory.com

copy to:

Bennett Jones LLP

666 Burrard Street, Suite 2500
Vancouver, British Columbia V6C 2X8

Attn: Mark V. Lewis / Sean Zweig / Joshua Foster
Email: lewismv@bennettjones.com / zweigs@bennettjones.com /
fosterj@bennettjones.com

(b) Purchaser:

1419195 B.C. Ltd.
#201, 204 Cayer Street
Coquitlam, British Columbia V3K 5B1

Attn: Balraj Singh Mann
Email: bmann@polycrerestitutions.com

copy to:

Fasken Martineau DuMoulin LLP
2900 - 550 Burrard Street
Vancouver, British Columbia V6C 0A3

Attn: Kareem Jetha / Michael Griffin
Email: kjetha@fasken.com / mgriffin@fasken.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.

12.19 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. The Purchaser will pay the Purchase Price to the Receiver in trust by wire-transfer to the trust account of the Receiver on the Closing Date and the monies so paid shall be held in the trust account of the Receiver 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 in trust (other than the Deposit which is to be dealt with in accordance with Section 3.2) shall be returned to the Purchaser without condition other than the return of all Receiver's Closing Documents and deliveries, unused and unregistered.

12.20 Paramountcy

If any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

12.21 Third Party Beneficiaries

This Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

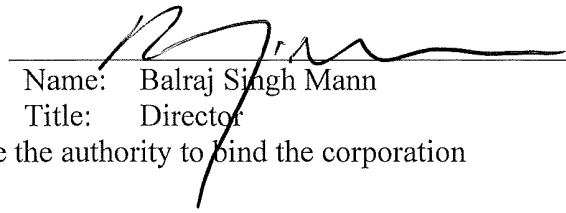
12.22 Counterparts; Electronic Transmission

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. This Agreement may be transmitted electronically and that the reproduction of such electronic signatures by way of will be treated as though such reproduction were executed originals.

[Signature page follows]

IN WITNESS WHEREOF the Parties 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.

1419195 B.C. LTD.

Per: 
Name: Balraj Singh Mann
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, corporate or any other capacity

Per: _____
Name:
Title:
I have the authority to bind the corporation

IN WITNESS WHEREOF the Parties 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.

1419195 B.C. LTD.

Per: _____
Name: Balraj Singh Mann
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, corporate or any other capacity

Per: _____
DocuSigned by:

87E48B2D2D52481...
Name: Jason Knight
Title: Managing Director

I have the authority to bind the corporation

SCHEDULE "A"

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 Annexed Easement CA7885739 over Lots A and B Plan EPP79101; and
 - 2.2 This title may be affected by a permit under Part 14 of the Local Government Act, see CB846188, amended by CB209481;
3. the following charges, liens and interests:
 - 3.1 Statutory Right of Way BG115826 in favour of British Columbia Transit, as modified by BR81992;
 - 3.2 Statutory Right of Way BR81992, being the modification of BG115826;
 - 3.3 Easement CA7885741;
 - 3.4 Statutory Right of Way CB70399 in favour of the City of Surrey;
 - 3.5 Covenant CB70401 in favour of the City of Surrey;
 - 3.6 Statutory Right of Way CB70403 in favour of the City of Surrey;
 - 3.7 Covenant CB70405 in favour of the City of Surrey;
 - 3.8 Statutory Right of Way CB70407 in favour of the City of Surrey;
 - 3.9 Covenant CB70409 in favour of the City of Surrey;
 - 3.10 Statutory Right of Way CB70411 in favour of the City of Surrey;
 - 3.11 Covenant CB70413 in favour of the City of Surrey;
 - 3.12 Statutory Right of Way CB70415 in favour of the City of Surrey;
 - 3.13 Covenant CB70417 in favour of the City of Surrey;
 - 3.14 Statutory Right of Way CB70419 in favour of the City of Surrey;
 - 3.15 Covenant CB70421 in favour of the City of Surrey;
 - 3.16 Statutory Right of Way CB70423 in favour of the City of Surrey;
 - 3.17 Covenant CB70425 in favour of the City of Surrey;
 - 3.18 Statutory Right of Way CB70427 in favour of the City of Surrey;

- 3.19 Covenant CB70429 in favour of the City of Surrey;
- 3.20 Statutory Right of Way CB70431 in favour of the City of Surrey;
- 3.21 Covenant CB70433 in favour of the City of Surrey;
- 3.22 Statutory Right of Way CB70435 in favour of the City of Surrey;
- 3.23 Covenant CB70437 in favour of the City of Surrey;
- 3.24 Statutory Right of Way CB87920 in favour of the City of Surrey;
- 3.25 Covenant CB87922 in favour of the City of Surrey;
- 3.26 Statutory Right of Way CB87924 in favour of the City of Surrey;
- 3.27 Covenant CB87926 in favour of the City of Surrey;
- 3.28 Statutory Right of Way CB87928 in favour of the City of Surrey;
- 3.29 Covenant CB87930 in favour of the City of Surrey;
- 3.30 Covenant CB112391 in favour of the City of Surrey;
- 3.31 Covenant CB112393 in favour of the City of Surrey;
- 3.32 Statutory Right of Way CB112395 in favour of the City of Surrey;
- 3.33 Covenant CB112396 in favour of the City of Surrey; and
- 3.34 Covenant CB112399 in favour of the City of Surrey.

SCHEDULE "B"

RETAINED CONTRACTS

1. the TransLink Retained Contracts

SCHEDULE "C"

BONDS

See attached.

District Northwest Limited Partnership and 105 University View Homes Ltd.
 Summary of Fees Paid to and Security Held by the City of Surrey

Division	Bill #	Description	Amount Paid	Cash held as security	Receipt #	Source Document
Building Division		Plan Processing Fees	767,521.78	-	-	01 Email from A. Sadafi - Mar 7, 2025
Building Division		Damage Deposit	2,500.00	-	-	01 Email from A. Sadafi - Mar 7, 2025
Building Division		Landscape Securities	1,117,982.17	-	-	01 Email from A. Sadafi - Mar 7, 2025
Building Division	915065	Green City Program (cash-in-lieu)	10,400.00	-	-	02 Email from I. Matthews - Mar 11, 2025
Building Division	915065	Permit Fee (Tree Cutting)	1,436.13	-	-	02 Email from I. Matthews - Mar 11, 2025
Building Division	930280	Tree Replacement Security	36,300.00	-	-	02 Email from I. Matthews - Mar 11, 2025
Building Division	93078	Tree Replacement Security	36,300.00	-	-	02 Email from I. Matthews - Mar 11, 2025
Building Division	933080	Tree Replacement Security	36,300.00	-	-	02 Email from I. Matthews - Mar 11, 2025
Building Division	933081	Tree Replacement Security	36,300.00	-	-	02 Email from I. Matthews - Mar 11, 2025
Building Division	933084	Tree Replacement Security	36,300.00	-	-	02 Email from I. Matthews - Mar 11, 2025
Building Division	933085	Tree Replacement Security	36,300.00	-	-	02 Email from I. Matthews - Mar 11, 2025
Land Development		Plan Processing Fees	-	4,761,348.00	-	02 Email from I. Matthews - Mar 11, 2025
Land Development		Erosion & Sediment Control (4520-0073-00)	-	107,076.00	-	03 Emails from H. Bains & J. Her - Mar 11, 2025
Land Development		Unfinalized Latecomers	-	441,970.00	-	03 Emails from H. Bains & J. Her - Mar 11, 2025
Land Development		Cash Security for Shoring Permit	-	132,800.00	-	03 Emails from H. Bains & J. Her - Mar 11, 2025
Land Development		Shoring Permit Fees	504.00	-	-	03 Emails from H. Bains & J. Her - Mar 11, 2025
Area Planning & Development	800410	Public Hearing Fee	1,228.00	-	71767054	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	800410	SD - Consolidation	1,836.00	-	71767054	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	800410	Combined Rezoning Fee	86,835.00	-	71767054	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	800410	Combined Development Permit Fee	84,385.00	-	71767054	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	800410	OGP Amendment Type I/Type II	2,653.00	-	71767054	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	800410	NCP - change in density fin. alloc.	2,653.00	-	71767054	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	8744790	Change of Scope	343.00	-	71808070	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	8744790	Combined Development Permit Fee	14,837.12	-	71808070	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	8744790	Combined Rezoning Fee	19,512.06	-	71808070	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	915059	Tier 2A - Comm Specific Capital Projects	13,717,099.06	-	71873002	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	915059	Indoor Amenity Contribution	852,500.00	-	71873002	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	915059	Other Fee	1,610,000.00	-	71873002	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	915059	Other Fee	1,610,000.00	-	71873002	02 Email from I. Matthews - Mar 11, 2025
Area Planning & Development	1034704	Combined Development Permit Fee	5,014.00	-	71975905	02 Email from I. Matthews - Mar 11, 2025

Total **20,127,139.32** **5,443,194.00**

SCHEDULE "D"
REVERSE VESTING ORDER

See attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

**DISTRICT NORTHWEST LIMITED PARTNERSHIP
and
105 UNIVERSITY VIEW HOMES LTD.
and
SURREY CENTRE DISTRICT NW GP LTD.**

RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE)
JUSTICE [●]) [●]/[●]/2025

ON THE APPLICATION of KSV Restructuring Inc. (“**KSV**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of the property located at LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667 (the “**Lands**”) and all right, title and interest of 105 University View Homes Ltd., District Northwest Limited Partnership and Surrey Centre District NW GP Ltd. (collectively, the “**Purchased Entities**” and each, a “**Purchased Entity**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, (collectively, the “**Property**”), including all proceeds thereof, coming on for hearing at Vancouver, British Columbia, on the [●]th day of [●], 2025; **AND ON HEARING** [●], counsel for the Receiver, and those other counsel listed on Schedule “A” hereto; **AND UPON READING** the material filed, including the [●] Report of the Receiver dated [●], 2025;

THIS COURT ORDERS AND DECLARES THAT:

NOTICE & 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 March [●], 2025, between the Receiver and 1419195 B.C. Ltd. (the “**Purchaser**”) attached as Schedule “B” hereto (the “**Sale Agreement**”) or the Amended and Restated Receivership Order of this Court dated [●], 2025 (the “**Receivership Order**”), as applicable.
2. The time for service of the Notice of Application and supporting materials for this Order is hereby abridged such that this Application is properly returnable today and service thereof on any interested party is hereby dispensed with.

APPROVAL AND VESTING

3. The Sale Agreement is commercially reasonable, and the Sale Agreement and the Transaction are hereby approved, with such minor amendments as the Receiver and the Purchaser may deem necessary. The Receiver is hereby authorized and directed to perform its obligations under the Sale Agreement and to take such additional steps and execute such additional articles, documents and other instruments as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Interests to the Purchaser, including, without limitation, for and on behalf of the Purchased Entities or any of them and Residual Co.
4. Notwithstanding any provision of this Order, the closing of the Transaction shall be deemed to occur in the manner and sequence set out in the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Receiver and the Purchaser, provided that such alterations, changes or amendments do not materially alter or impact the Transaction or the consideration which the Purchased Entities’ stakeholders will benefit from as part of the Transaction.
5. This Order shall constitute the only authorization required by the Receiver, the Purchased Entities and Residual Co. to proceed with and complete the Transaction and the steps contemplated thereby, including, without limitation, the incorporation of Residual Co., the redemption termination and cancellation of all GP Shares and LP Interests that are issued and outstanding immediately prior to Closing (excluding for greater certainty, the Subscribed Shares and New LP Units), and the issuance of the Purchased Interests, and except as specifically provided in the Sale Agreement, no director, shareholder or other approval or action by or notice to or filing with any Governmental Authority exercising jurisdiction in respect of the Purchased Entities or Residual Co. shall be required in connection with the execution, delivery and performance by the Receiver (including for and on behalf, and in the name of, the Purchased Entities or any of them and/or Residual Co.), the Purchased Entities and Residual Co. of the Sale Agreement and the completion of the Transaction.
6. Upon the delivery of the Receiver’s certificate to the Purchaser (the “**Effective Time**”), substantially in the form attached as Schedule “C” hereto (the “**Receiver’s Certificate**”), the following shall occur and shall be deemed to have occurred in the manner and sequence set out in the Closing Sequence:

- (a) the Purchase Price shall be paid in accordance with the terms of Article 3 of the Sale Agreement;
- (b) all of the Purchased Entities' right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in Residual Co. and all Claims and Encumbrances (each as defined below) other than the Retained Liabilities and Permitted Encumbrances shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
- (c) the Excluded Liabilities and the Excluded Contracts shall be transferred to, assumed by, and vest absolutely and exclusively in Residual Co. (who shall be deemed to be party to such Excluded Contracts), and shall no longer be obligations of the Purchased Entities, each of which Purchased Entity and its Retained Assets shall be and is forever released and discharged from such Excluded Liabilities and Excluded Contracts, and all Encumbrances other than the Permitted Encumbrances shall be expunged and discharged as against the Retained Assets;
- (d) in consideration for the Purchase Price (i) the GP shall issue the Subscribed Shares to the Purchaser and the subscription for the New LP Units by and to the Purchaser shall be confirmed and recorded, and (ii) all of the right, title and interest in and to the Purchased Interests shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all claims, suits, proceedings, debts, liabilities, obligations, indebtedness, damages, penalties, judgements, costs, expenses, fines, disbursements, fees, demands, actions, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, 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 (collectively, the "**Claims**"), including without limiting the generality of the foregoing: (A) any encumbrances or charges created by the Receivership Order or any other Order of the Court in these proceedings; (B) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, as amended, or any other personal property registry system; and (C) the Claims listed on Schedule "E" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Retained Liabilities or the Permitted Encumbrances listed on Schedule "F" hereto), and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or related to the Purchased Interests and/or the Retained Assets are hereby expunged and discharged as against the Purchased Interests and the Retained Assets;
- (e) all GP Shares and LP Interests that are issued and outstanding immediately prior to Closing (but for greater certainty, not including the Subscribed Shares or New LP

Units) shall be redeemed, terminated and cancelled without any payment thereon, and (i) all redeemed GP Shares together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital and (ii) any and all units, capital account allocations, distribution or allocation rights, together with any agreements, contracts, plans, indentures, deeds, certificates, subscription rights, conversion rights, pre-emptive rights, options, or other documents or instruments governing or having been created or granted in connection with an interest in the Limited Partnership, other than those held by the GP and the New LP Units, shall be deemed terminated and cancelled without any payment or consideration;

(f) the Purchased Entities shall cease to be party to these proceedings and the Purchased Entities shall be deemed to be released from the purview of the Receivership Order and all other Orders of the Court granted in these proceedings, save and except for this Order the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects.

7. The Receiver is hereby authorized and directed to file with the Court a copy of the Receiver's Certificate and deliver a copy of the Receiver's Certificate to the Service List, in each case, forthwith after delivery thereof in connection with the Transaction.
8. The Receiver may rely on written notice from the Purchaser or its counsel and the Receiver's counsel (which notice may be by email from counsel to the Purchaser and the Receiver) regarding the satisfaction or waiver of conditions to closing under the Sale Agreement and the Receiver shall have no liability with respect to delivery of the Receiver's Certificate.
9. Upon 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 Purchased Entities, the Purchased Interests, the Retained Assets, or the Excluded 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, discharge statements 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, Encumbrances, and the Excluded Liabilities against or in respect of the Purchased Entities, the Purchased Interests and the 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.
10. Without limiting the generality of paragraph 9 of this Order, 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 Bennett Jones LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:

- (a) register a Form B mortgage and assignment of rents against title to the Lands in favour of KingSett Mortgage Corporation, which mortgage and assignment of rents has been executed by either the Receiver in the name and on behalf of the applicable Purchased Entities or an appointee of the Purchaser; and
 - (b) having considered the interest of third parties, discharge, release, delete and expunge from title to the Lands identified in Schedule “D” hereto all of the registered Encumbrances except for those Permitted Encumbrances listed in Schedule “F” hereto.
- 11. For the purposes of determining the nature and priority of Claims, from and after the Effective Time, the Purchase Price shall be allocated to the New LP Units, and all Claims and Encumbrances shall attach to the Excluded Assets and the Excluded Contracts, as applicable, with the same priority as they had with respect to the Purchased Interests and the Retained Assets immediately prior to the sale, as if (i) the Purchased Interests and the Retained Assets had remained owned by and in the possession or control of the Person who owned and had possession or control immediately prior to the Effective Time, and (ii) the Excluded Contracts and the Excluded Liabilities had not been transferred to Residual Co. and remained liabilities of the Purchased Entities immediately prior to the transfer.
- 12. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, or section 18(10)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, as amended, each of the Purchased Entities and the Receiver, as the case may be, is authorized, permitted and directed to disclose to the Purchaser personal information of identifiable individuals to the extent required to complete the Transaction. The Purchaser shall maintain and protect the privacy of such information in accordance with Applicable Law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Purchased Entities.
- 13. At the Effective Time and without limiting the provisions of paragraph 6 of this Order, the Purchaser and the Purchased Entities shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Purchased Entities (provided that, such release shall not apply to: (i) Taxes in respect of the business and operations conducted by any of the Purchased Entities after the Effective Time; or (ii) Taxes expressly assumed as Retained Liabilities pursuant to the Sale Agreement), including without limiting the generality of the foregoing all Taxes that could be assessed against the Purchaser or the Purchased Entities (including their affiliates and any predecessor corporations) pursuant to section 160 or section 160.01 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Purchased Entities.
- 14. Except to the extent expressly contemplated by the Sale Agreement, all Contracts to which any of the Purchased Entities is a party upon the Effective Time, including, without limitation, all of the Retained Pre-Sale Contracts, will be and remain in full force and effect

upon and following delivery of the Receiver's Certificate and no Person who is party to any such Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such Contract and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Purchased Entities);
 - (b) the insolvency of any of the Purchased Entities or the fact that the Purchased Entities are or were in receivership;
 - (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Sale Agreement, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings; or
 - (d) any transfer or assignment, or any change of control of any of the Purchased Entities arising from the implementation of the Sale Agreement, the Transaction or the provisions of this Order.
15. For greater certainty: (i) nothing in paragraph 14 of this Order shall waive, compromise or discharge any obligations of any of the Purchased Entities in respect of any Retained Liabilities; (ii) the designation of any Claim as a Retained Liability is without prejudice to the Purchased Entities' and the Purchaser's rights to dispute the existence, validity or quantum of any such Retained Liability; and (iii) nothing in this Order or the Sale Agreement shall affect or waive the Purchased Entities' or the Purchaser's rights and defences, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.
16. From and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of any of the Purchased Entities then existing or previously committed by any of the Purchased Entities, or caused by any of the Purchased Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract, existing between such Person and any of the Purchased Entities arising directly or indirectly from these proceedings and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 14 of this Order, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect; provided that, nothing herein shall be deemed to excuse the Receiver, any of the Purchased Entities, or the Purchaser from performing their obligations under the Sale Agreement or be a waiver of defaults by the Receiver, any

of the Purchased Entities or the Purchaser under the Sale Agreement and the related documents.

17. From and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any of the Purchased Entities, the Purchaser, the Purchased Interests or the Retained Assets relating in any way to or in respect of any of the Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.
18. From and after the Effective Time:
 - (a) the nature of the Retained Liabilities assumed by the Purchaser or retained by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;
 - (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to Residual Co.;
 - (c) any Person that prior to the Effective Time had a valid right or claim against any of the Purchased Entities under or in respect of any Excluded Contract and/or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the applicable Purchased Entity but will have an equivalent Excluded Liability Claim against Residual Co., in respect of the Excluded Contract and/or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against Residual Co.; and
 - (d) the Excluded Liability Claim of any Person against Residual Co. following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the applicable Purchased Entity prior to the Effective Time.
19. As of the Effective Time:
 - (a) Residual Co. shall be an insolvent person to which the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) applies; and
 - (b) Residual Co. shall be added as a Respondent in these proceedings and all references in any Order of this Court in respect of these proceedings to (i) a “Respondent”, the “Respondents”, a “Debtor” or the “Debtors” shall refer to and include Residual Co., *mutatis mutandis*, and (ii) “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and

wherever situate including all proceeds thereof, of Residual Co., including without limitation, the Excluded Assets vested in and to, and Excluded Contracts transferred to and assumed by, Residual Co. (collectively, the “**Residual Co. Property**”), and, for greater certainty, each of the Receiver’s Charge and the Receiver’s Borrowings Charge shall constitute a charge on the Residual Co. Property.

20. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of any of the Purchased Entities or Residual Co. and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Purchased Entities or Residual Co.;

the Sale Agreement, the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to Residual Co., and the transfer and vesting of the Purchased Interests in and to the Purchaser), and any payments by the Purchaser or any Purchased Entity authorized herein or pursuant to the Sale Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Purchased Entities and/or Residual Co. and shall not be void or voidable by creditors of any of the Purchased Entities and/or Residual Co., as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RESIDUAL CO.

- 21. The Receiver is hereby authorized and directed to incorporate, or cause the applicable Purchased Entity to incorporate, a new corporation on or before the Closing Date.
- 22. Without limiting the generality of paragraphs 3 and 5 of this Order, the Receiver, including for and on behalf, and in the name of, the applicable Purchased Entities and/or Residual Co., is 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 such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under Applicable Law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under Applicable Law to effect the incorporation of Residual Co.
- 23. As of the Effective Time, Residual Co. shall be added as a Respondent in these proceedings pursuant to paragraph 19 of this Order.

24. The administration of Residual Co. shall remain subject to this Court's oversight and these proceedings.
25. From and after the Effective Time, the Receiver is hereby authorized and empowered, but not required, to file a voluntary assignment in respect of Residual Co. in bankruptcy on behalf of Residual Co. pursuant to section 49 of the BIA and to sign such documents for and on behalf, and in the name of, Residual Co., and to take all such steps as are necessary to make such assignment into bankruptcy (the "**Bankruptcy Proceedings**"). For greater certainty, no resolutions or authorizations from directors, officers or shareholders of Residual Co. will be required to commence the Bankruptcy Proceedings. KSV shall be entitled, but not obligated, to act as the licensed insolvency trustee of Residual Co. in the Bankruptcy Proceedings.

RECEIVER

26. Upon the Effective Time, KSV shall be discharged as Receiver of the Property of the Purchased Entities (other than, for greater certainty, the Residual Co. Property), provided however that, notwithstanding its discharge herein and the release of the Purchased Entities from the purview of these proceedings pursuant to paragraph 6(f) of this Order, KSV shall:
 - (a) continue to administer the Residual Co. Property in the same manner and with the same powers, obligations and protections as the Receiver pursuant to the Receivership Order for the benefit of the Purchased Entities' existing creditors;
 - (b) remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership and the Transaction; and
 - (c) continue to have the benefit of the provisions of all Orders made in these proceedings, including the Receiver's Charge and the Receiver's Borrowings Charge, as such charges shall apply to the Residual Co. Property, and all approvals, protections and stays of proceedings in favour of KSV in its capacity as the Receiver.
27. In performing its duties and obligations under this Order, and taking such other actions and fulfilling such other duties or obligations incidental thereto, the Receiver shall: (i) have the benefit of any and all rights, approvals and the protections afforded to it under Applicable Law, pursuant to the BIA, the Receivership Order and any other Orders of the Court in these proceedings, or as an officer of the Court, including the stay of proceedings in its favour pursuant to the Receivership Order; (ii) incur no liability or obligation other than in respect of gross negligence or wilful misconduct; (iii) be entitled to rely on the books and records of the Purchased Entities or any of them and any information provided by the Purchased Entities or any of them, all without independent investigation; and (iv) not be liable for any claims or damages resulting from any errors or omissions in such books, records or information or in any information provided by any Purchaser, except to the extent that the Receiver has acted with gross negligence or wilful misconduct.
28. No action lies against the Receiver by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following an application brought

on not less than fifteen (15) days' notice to the Receiver and its counsel. The entities related or affiliated with the Receiver or belonging to the same group as the Receiver (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Receiver) shall benefit from the protection granted to the Receiver under this paragraph 28.

GENERAL

29. Following the Effective Time, the Purchaser and the Purchased Entities shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Interests and the Retained Assets.
30. Following the Effective Time, the style of cause in these proceedings is hereby amended to read as follows:

“No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

[•]

RESPONDENTS”

31. Any document filed in these proceedings after the Effective time, other than the Receiver's Certificate, shall be filed using the style of cause set out in paragraph 30 of this Order.
32. The Receiver may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the discharge of its powers and duties under this Order or the interpretation or application of this Order at any time.
33. **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.

34. 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 ●

Party Lawyer for the Receiver

BY THE COURT

REGISTRAR

Schedule "A" – List of Counsel

<u>Name</u>	<u>Party</u>

Schedule "B" – Sale Agreement

See attached.

Schedule “C” – Form of Receiver’s Certificate

No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

**DISTRICT NORTHWEST LIMITED PARTNERSHIP
and
105 UNIVERSITY VIEW HOMES LTD.
and
SURREY CENTRE DISTRICT NW GP LTD.**

RESPONDENTS

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Masuhara of the Supreme Court of British Columbia (the “**Court**”) dated November 8, 2024 as amended and restated on [●], 2025, KSV Restructuring Inc. was appointed as the receiver (in such capacity, the “**Receiver**”), without security, of the property located at LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667 (the “**Lands**”) and all right, title and interest of 105 University View Homes Ltd., District Northwest Limited Partnership and Surrey Centre District NW GP Ltd. (collectively, the “**Purchased Entities**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including all proceeds thereof.

B. Pursuant to an Order dated [●], 2025 (the “**Approval and Vesting Order**”) and subject to its terms, the Court, among other things: (i) approved an agreement of purchase and sale dated March [●], 2025 (the “**Sale Agreement**”), between the Receiver and 1419195 B.C. Ltd. (the “**Purchaser**”) and the Transaction contemplated thereby; (ii) added Residual Co. as a “Respondent” in the Receivership Proceedings; (iii) vested in the Purchaser all of the Purchased Entities’ right, title and interest in and to the Purchased Interests; (iv) vested in and to Residual Co. absolutely and exclusively, all of the right, title and interest of the Purchased Entities in and

to the Excluded Assets, Excluded Contracts and Excluded Liabilities; and (v) discharged all Claims and Encumbrances and the Excluded Liabilities against the Purchased Entities, the Purchased Interests and the Retained Assets other than the Permitted Encumbrances and the Retained Liabilities.

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

THE RECEIVER CERTIFIES the following:

1. The Conditions Precedent have been satisfied or waived by the Receiver and the Purchaser, as applicable.
2. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV RESTRUCTURING INC., solely in its capacity as the Court-appointed receiver of District Northwest Limited Partnership, 105 University View Homes Ltd. and Surrey Centre District NW GP Ltd., and not in its personal, corporate or any other capacity

Per: _____
Name:
Title:

Schedule "D" – Description of the Lands

LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT
PLAN EPP111526, PID: 031-746-667

Schedule "E" - Claims to be Deleted/Expunged From Title to the Lands

[To be populated]

Schedule “F” - Permitted Encumbrances, Easements and Restrictive Covenants

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. Annexed Easement CA7885739 over Lots A and B Plan EPP79101; and
 - 2.2. This title may be affected by a permit under Part 14 of the *Local Government Act*, see CB846188, amended by CB209481;
3. the following charges, liens and interests:
 - 3.1. Statutory Right of Way BG115826 in favour of British Columbia Transit, as modified by BR81992;
 - 3.2. Statutory Right of Way BR81992, being the modification of BG115826;
 - 3.3. Easement CA7885741;
 - 3.4. Statutory Right of Way CB70399 in favour of the City of Surrey;
 - 3.5. Covenant CB70401 in favour of the City of Surrey;
 - 3.6. Statutory Right of Way CB70403 in favour of the City of Surrey;
 - 3.7. Covenant CB70405 in favour of the City of Surrey;
 - 3.8. Statutory Right of Way CB70407 in favour of the City of Surrey;
 - 3.9. Covenant CB70409 in favour of the City of Surrey;
 - 3.10. Statutory Right of Way CB70411 in favour of the City of Surrey;
 - 3.11. Covenant CB70413 in favour of the City of Surrey;
 - 3.12. Statutory Right of Way CB70415 in favour of the City of Surrey;
 - 3.13. Covenant CB70417 in favour of the City of Surrey;
 - 3.14. Statutory Right of Way CB70419 in favour of the City of Surrey;
 - 3.15. Covenant CB70421 in favour of the City of Surrey;
 - 3.16. Statutory Right of Way CB70423 in favour of the City of Surrey;
 - 3.17. Covenant CB70425 in favour of the City of Surrey;

- 3.18. Statutory Right of Way CB70427 in favour of the City of Surrey;
- 3.19. Covenant CB70429 in favour of the City of Surrey;
- 3.20. Statutory Right of Way CB70431 in favour of the City of Surrey;
- 3.21. Covenant CB70433 in favour of the City of Surrey;
- 3.22. Statutory Right of Way CB70435 in favour of the City of Surrey;
- 3.23. Covenant CB70437 in favour of the City of Surrey;
- 3.24. Statutory Right of Way CB87920 in favour of the City of Surrey;
- 3.25. Covenant CB87922 in favour of the City of Surrey;
- 3.26. Statutory Right of Way CB87924 in favour of the City of Surrey;
- 3.27. Covenant CB87926 in favour of the City of Surrey;
- 3.28. Statutory Right of Way CB87928 in favour of the City of Surrey;
- 3.29. Covenant CB87930 in favour of the City of Surrey;
- 3.30. Covenant CB112391 in favour of the City of Surrey;
- 3.31. Covenant CB112393 in favour of the City of Surrey;
- 3.32. Statutory Right of Way CB112395 in favour of the City of Surrey;
- 3.33. Covenant CB112396 in favour of the City of Surrey; and
- 3.34. Covenant CB112399 in favour of the City of Surrey.

No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

DISTRICT NORTHWEST LIMITED PARTNERSHIP

and

105 UNIVERSITY VIEW HOMES LTD.

and

SURREY CENTRE DISTRICT NW GP LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

Bennett Jones LLP
Suite 2500, 666 Burrard Street
Vancouver, BC V6C 2X8
Attention: Sean Zweig

Tel No.: (604) 891-7500

SCHEDULE "E"

SALE PROCEDURE

See attached.

SCHEDULE “A”
SALE PROCEDURE

Introduction

1. Pursuant to an Order granted by the Supreme Court of British Columbia (the “**Court**”) on November 8, 2024 (as amended and restated on [●], 2025, the “**Receivership Order**”), under subsection 243(1) of the *Bankruptcy and Insolvency Act* (Canada), and section 39 of the *Law and Equity Act* (British Columbia), KSV Restructuring Inc. was appointed as the receiver (in such capacity, the “**Receiver**”), without security, of the property located at LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667 (the “**Lands**”) and all right, title and interest of 105 University View Homes Ltd., District Northwest Limited Partnership and Surrey Centre District NW GP Ltd. (collectively, the “**Debtors**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands (collectively, the “**Receivership Property**”). The Receivership Property includes the Debtors’ development project documents and development rights in connection with the Lands.
2. On [●], 2025, the Court granted an Order (the “**Sale Procedure Order**”), among other things: approving the sale solicitation procedures set forth herein (the “**Sale Procedure**”); authorizing the Receiver to enter into the stalking horse purchase agreement dated March [●], 2025 (the “**APS**”), between 1419195 B.C. Ltd. (the “**Stalking Horse Bidder**”) and the Receiver, and approving the bid made by the Stalking Horse Bidder pursuant to the APS as the stalking horse bid (the “**Stalking Horse Bid**”), in each case, solely for the purposes of the Sale Procedure; and approving the payment of the break fee to the Stalking Horse Bidder contemplated under the APS in accordance with the terms thereof (the “**Break Fee**”). The Sale Procedure Order and the Sale Procedure exclusively govern the process for soliciting and selecting bids for the sale of all or substantially all of the Receivership Property.
3. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the APS.

Opportunity

4. The Sale Procedure is intended to solicit interest in, and opportunities for, a sale of the Lands and the other Receivership Property, including indirectly by way of a share sale (the “**Sale**”).
5. The Receiver has entered into the APS which constitutes a Qualified Bid (as defined below) for all purposes and at all times under the Sale Procedure. The purchase price under the APS, exclusive of all applicable taxes, is equal to \$86,000,000, subject to certain adjustments (the “**Purchase Price**”).
6. Notwithstanding the APS, all interested parties are encouraged to submit Qualified Bids.

Sale Procedure

7. The Sale Procedure describes, 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 may become Qualified Bidders (as defined below) and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of one or more Successful Bids (as defined below), and the approval of any Successful Bid(s) by the Court.
8. The Receiver will use reasonable efforts to complete the Sale Procedure in accordance with the timelines set out herein. Notwithstanding any other provision of the Sale Procedure, the Receiver shall be permitted to make such adjustments to the timelines set out herein that it determines are appropriate or reasonably necessary in the circumstances.

Sale Procedure Timeline

9. As soon as practicable following the granting of the Sale Procedure Order, the Receiver will file the New Disclosure Statement pursuant to the *Real Estate Development Marketing Act* (British Columbia) (“**REDMA**”), and provide or cause to be provided the New Disclosure Statement, including the Addendum to Pre-Sale Contract, to pre-sale purchasers of the Debtors (collectively, the “**Pre-Sale Purchasers**”), together with a notice in form and substance satisfactory to the Receiver apprising the Pre-Sale Purchase Purchasers of the Sale Procedure, the New Disclosure Statement, the Addendum to Pre-Sale Contract, the Stalking Horse Bid, and their rights of rescission under REDMA (the “**Pre-Sale Purchaser Notice**”). The Sale Procedure will otherwise be conducted in accordance with the following milestones:

Date/Deadline	Milestone
5:00 p.m. (Pacific Time) on [●] (the “ LOI Deadline ”)	LOI Deadline – The deadline for interested parties to submit a letter of intent (“ LOI ”)
5:00 p.m. (Pacific Time) on [●] (the “ Final Bid Deadline ”)	Final Bid Deadline – Due date for bids and Deposits (as defined below)
Commencing at 10:00 a.m. Pacific Time within [●] ([●]) Business Days of the Receiver determining and notifying the applicable Qualified Bidders that the Auction (as defined below) will take place (the “ Auction Date ”)	Auction (if any), to be held virtually or at the Receiver’s option at Bennett Jones LLP, 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8, or such other location as shall be timely communicated to all persons

Date/Deadline	Milestone
	entitled to attend at the Auction, subject to such adjournments as the Receiver may consider appropriate
By no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid(s)	Hearing – Approval Application (as defined below)
Ten (10) Business Days following the earlier of (i) the expiry of applicable appeal periods in respect of the order approving the transaction, and (ii) in the event of an appeal or application for leave to appeal, final determination of such appeal or application; provided that if the Approval Order (as defined below) shall not have been subject to any unresolved material objections at the Approval Application, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed	Closing of the Successful Bid(s)

As Is, Where Is

10. A Sale of the Receivership Property or any portion thereof will be on an “as is, where is” and “without recourse” basis and without representations, warranties, guarantees, covenants or indemnities of any kind, nature, or description by the Receiver or any of its agents, representatives, partners or employees, or any of the other parties participating in the Sale Procedure, except to the extent set forth in the relevant final sale agreement between the Receiver and a Successful Bidder (as defined below). By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Receivership Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Receivership Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees of any kind, nature, or description, regarding the Receivership Property, the physical condition or location of the Receivership Property, or the completeness of any information provided in connection therewith, the Sale Procedure or the Auction, except as expressly stated in the Sale Procedure or as set forth in a relevant final sale agreement between the Receiver and a Successful Bidder.

Free of any and all Claims and Interest

11. 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 approval and vesting or reverse vesting orders made by the Court (each, an “**Approval Order**”). 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

12. As soon as reasonably practicable following the granting of the Sale Procedure Order and, in any event, by no later than two (2) calendar days after the commencement of the Sale Procedure, the Receiver will:
 - (a) cause a notice of the Sale Procedure, and such other relevant information which the Receiver considers appropriate, to be published in applicable industry publications, websites and/or forums; and
 - (b) prepare a letter describing the Receivership Property, outlining the Sale Procedure and inviting recipients to express their interest in making a Qualified Bid, for distribution to potential bidders.

Participation Requirements and Due Diligence

13. In order to participate in the Sale Procedure, an interested party must deliver to the Receiver by the LOI Deadline, at the address specified herein (including by email) a LOI and an executed non-disclosure agreement in form and substance satisfactory to the Receiver (a “**NDA**”), which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by a Successful Bid.
14. A potential bidder that has executed a NDA, as described above, and who the Receiver, in its sole discretion, determines has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a Sale contemplated herein, will be deemed a “**Qualified Bidder**” and will be promptly notified of such decision by the Receiver. For greater certainty, no potential bidders shall be deemed to be a Qualified Bidder without the approval of the Receiver.
15. The Receiver shall provide any person it deems to be a Qualified Bidder with access to the confidential virtual data room (the “**VDR**”) and 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.

16. 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.

Submission of Qualified Bids

17. A Qualified Bidder that desires to make a bid for all or substantially all of the Receivership Property must deliver to the Receiver a final, written, binding offer (each, a “**Final Bid**”) in the form of a fully executed purchase and sale agreement, with a blackline showing changes against the APS before the Final Bid Deadline.
18. Final Bids must be delivered, in accordance with the notice requirements set out herein, and **must actually** be received by the Receiver on or before the Final Bid Deadline.

Requirements for Qualified Bid

19. A Final Bid will only be considered a Qualified Bid if it is submitted by a Qualified Bidder and complies with the Qualified Bid Requirements (as defined below) (each, a “**Qualified Bid**”).
20. A Final Bid must comply with each of the following conditions (each, a “**Qualified Bid Requirement**”):
 - (a) it has been received by the Final Bid Deadline;
 - (b) it provides for the payment in full and in cash of at least:
 - (i) the Purchase Price plus the Break Fee; and
 - (ii) a \$500,000 minimum bid increment (the “**Minimum Bid Increment**”);
 - (c) it contains a duly executed purchase and sale agreement substantially in the form of the APS and a blackline of the executed purchase and sale agreement to the APS;
 - (d) it includes a letter stating that the Final Bid is irrevocable until there is a Successful Bid, 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 (i) a firm, irrevocable financial commitment for all required funding or financing and/or (ii) evidence of the Qualified Bidder’s financial wherewithal to close the bid using unencumbered funds on hand;
 - (f) given the delivery of the New Disclosure Statement and Pre-Sale Purchaser Notice, it identifies the number of Pre-Sale Purchasers, if any, that are required to have

executed an Addendum to Pre-Sale Contract and the number of Pre-Sale Contracts, if any, that must be in good standing, in each case, as of the closing date of the transaction;

- (g) it does not include any request for or entitlement to any expense reimbursement, termination or break fee or similar type of payment;
- (h) it provides for an assumption of liabilities and other economic terms that are at least as favourable in the aggregate as those in the APS;
- (i) it is accompanied by a refundable deposit (the “**Deposit**” and collectively, the “**Deposits**”) 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 the amount of 3.00% of the cash consideration outlined in 20(b) above (i.e., 3% of the sum of the Purchase Price, the Break Fee and the Minimum Bid Increment) to be held and dealt with in accordance with the Sale Procedure;
- (j) it is not conditional upon:
 - (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or
 - (ii) obtaining financing;
- (k) 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
- (l) it contains evidence of authorization and approval from the Qualified Bidder’s board of directors (or comparable governing body), if applicable, and identifies each entity or person and representatives thereof who are authorized to appear and act on behalf of the Qualified Bidder for all purposes regarding the transaction.

21. 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 the Sale Procedure.
22. The Stalking Horse Bidder shall be deemed to be a Qualified Bidder, and the APS shall be deemed to be a Qualified Bid, for all purposes of the Sale Procedure, including for purposes of the Auction (if applicable).

No Qualified Bids Received

23. If the Receiver does not receive any LOIs or any LOIs that, based on the Receiver's assessment, are likely to result in the submission of a Qualified Bid, by the LOI Deadline, or any Qualified Bid(s) (other than the Stalking Horse Bid) by the Final Bid Deadline, then the APS will be deemed to be the Successful Bid and the Receiver shall take reasonable steps to perform Section 25 herein.

Assessment of Qualified Bids

24. The Receiver shall assess all Qualified Bids submitted before or by the Final Bid Deadline, to determine whether the transactions contemplated by such Qualified Bids are likely to be consummated. Such assessments will be made as promptly as practicable.
25. If the Receiver determines that no Qualified Bids other than the APS were received, or that at least one additional Qualified Bid was received but it is unlikely that the transactions contemplated in any such Qualified Bids will be consummated, the Receiver shall:
 - (a) forthwith terminate the Sale Procedure;
 - (b) notify each Qualified Bidder (if any) that the Sale Procedure has been terminated;
 - (c) notify the Stalking Horse Bidder that it is the Successful Bidder; and
 - (d) as soon as reasonably practicable after such termination, and in any event, no later than fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid, file the Approval Application with the Court seeking approval, after notice and hearing, to implement the APS.
26. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Final Bid Deadline, the Receiver will proceed with an auction process to determine the Successful Bid(s) (the "**Auction**"). The successful bid 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 Bidder) in accordance with the terms herein, along with unredacted copies of Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the Starting Bid (as defined below).

Auction

27. If an Auction is to be held, the Receiver will conduct the Auction 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 Stalking Horse Bidder, 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 and such other persons as permitted by the Receiver (and the advisors to each of the foregoing entities) are entitled to attend the Auction;
 - (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 the Sale Procedure, 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 at the Auction;
 - (f) the Receiver may 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 Stalking Horse Bidder 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 (each, 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 \$250,000, or such amount as may be determined by the Receiver prior to, and announced at, the Auction;

- (j) the Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided, however, that such Subsequent Bids are made in accordance with the Sale Procedure;
- (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 or the Backup Bid;
- (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 to determine that such 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.

28. 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.

29. 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 the 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 (i) two (2) Business Days after the date of closing of the transaction contemplated by the Successful Bid; and (ii) [●], 2025 (the “**Outside Date**”).
30. 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 [●] ([●]) 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 ten (10) Business Days following:
- (a) expiry of applicable appeal periods in respect of the order approving the transaction, provided that if the Approval Order shall not have been subject to any unresolved material objections at the Approval Application, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed;
 - (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,
- (each, an “**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 of Successful Bid

31. The Receiver shall apply to the Court (the “**Approval Application**”) for an Approval 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 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 (as applicable) 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.

32. 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.
33. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on the applicable Auction Closing Date.

Deposits

34. 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 (2) 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.
35. All Deposits of all Qualified Bidders not selected as the Successful Bidder or Backup Bidder shall be returned to such bidders within five (5) 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 the Sale Procedure is terminated in accordance with the provisions hereof, all Deposits shall be returned to the Qualified Bidders within five (5) Business Days of the date upon which it is determined that the Auction will not take place or the Sale Procedure is terminated, as applicable.
36. 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 forfeiture 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.

Approvals

37. 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 that are otherwise required at law in order to implement a Successful Bid or Backup Bid, as the case may be.

Notice Requirements

38. Any communication, bids and all associated documentation to be given under the Sale Procedure by any person to the Receiver shall be in writing in substantially the form, if any, provided for in the Sale Procedure and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, or email addressed to:

KSV Restructuring Inc.
1165, 324 – 8th Avenue, SW
Calgary, Alberta
T2P 2Z2 Canada

Attn: Noah Goldstein / Jason Knight
Email: ngoldstein@ksvadvisory.com / jknight@ksvadvisory.com

with a copy to:

Bennett Jones LLP
666 Burrard Street, Suite 2500
Vancouver, British Columbia
V6C 2X8 Canada

Attn: Mark V. Lewis / Sean Zweig / Joshua Foster
Email: lewismv@bennettjones.com / zweigs@bennettjones.com /
fosterj@bennettjones.com

Reservation of Rights

39. 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 the Sale Procedure or any orders of the Court applicable to the Debtors, and in accordance with the terms hereof, may impose additional terms and conditions and otherwise seek to modify the Sale Procedure at any time in order to maximize the results obtained, and may accept bids not in conformity with the Sale Procedure to the extent that the Receiver determines, in its reasonable business judgment, that doing so would benefit the Debtors' estates and their stakeholders.
40. The Receiver may, in its reasonable discretion and subject to the terms of the APS, 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.
41. 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 the Sale Procedure.
42. The Sale Procedure does 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.
43. Participants in the Sale Procedure, are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Qualified Bid, due diligence

activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction, including, without limitation, any actions pursuant to the Sale Procedure or within the Auction, except, for greater certainty, the Break Fee if payable under the APS.

No Amendment

44. There shall be no amendments to the Sale Procedure without the prior written consent of the Receiver and the Stalking Horse Bidder, or further order of the Court obtained on reasonable notice to the Receiver.

Further Orders and Jurisdiction of the Court

45. 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 under the Sale Procedure or the interpretation or application of the Sale Procedure.
46. Except as otherwise provided in the Sale Procedure or the APS, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the APS, the Sale Procedure Order, and the Sale Procedure.

SCHEDULE "F"
SALE PROCEDURE ORDER

See attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

DISTRICT NORTHWEST LIMITED PARTNERSHIP

and

105 UNIVERSITY VIEW HOMES LTD.

and

SURREY CENTRE DISTRICT NW GP LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

SALE PROCESS ORDER

BEFORE THE HONOURABLE)
JUSTICE MASUHARA) [●]/[●]/2025

ON THE APPLICATION of KSV Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of the property located at LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-746-667 (the “**Lands**”) and all right, title and interest of 105 University View Homes Ltd., District Northwest Limited Partnership and Surrey Centre District NW GP Ltd. (collectively, the “**Debtors**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including all proceeds thereof, coming on for hearing at Vancouver, British Columbia, on the [●]th day of [●], 2025; **AND ON HEARING** [●], counsel for the Receiver, and those other counsel listed on Schedule “A” hereto; **AND UPON READING** the Amended and Restated Receivership Order of this Court dated as of the date hereof, and the material filed, including the Second Report of the Receiver dated [●], 2025 (the “**Second Report**”);

THIS COURT ORDERS AND DECLARES THAT:

NOTICE & DEFINITIONS

1. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the Second Report, the sale and solicitation process attached as Schedule “B” hereto (the “**Sale Process**”) or the Stalking Horse APS (as defined below), as applicable.
2. The time for service of the Notice of Application and supporting materials for this Order is hereby abridged such that this Application is properly returnable today and service thereof on any interested party is hereby dispensed with.

SALE PROCESS APPROVAL

3. The Sale Process, subject to any amendments thereto that may be made in accordance therewith, be and is hereby approved. Subject to the filing of the New Disclosure Statement, the Receiver is hereby authorized to carry out the Sale Process in accordance with its terms and the terms of this Order, and to take such steps as the Receiver considers necessary or desirable in carrying out its obligations thereunder.
4. Without limiting the generality of paragraph 3 of this Order and subject to the filing of the New Disclosure Statement, the Receiver is hereby authorized to deliver or, with the assistance of Rennie, cause the delivery of the New Disclosure Statement, the Addendum to Pre-Sale Contract and the Pre-Sale Purchaser Notice to Buyers, and to solicit or, with the assistance of Rennie, cause the solicitation of the Buyers’ execution of the Addendum to Pre-Sale Contract (collectively, the “**Noticing**”).
5. The Receiver and Rennie and each of their respective assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability or obligation with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of performing their duties under the Sale Process or the Noticing, as applicable, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Receiver or Rennie, as applicable, as determined by this Court.

PIPEDA

6. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, and any similar legislation in any other applicable jurisdictions, the Receiver is hereby authorized and permitted to disclose and provide to its agents and any Qualified Bidders in the Sale Process, personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the Sale Process (each a “**Transaction**”). Each person 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 for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Receiver, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Receiver. Any purchaser under a Transaction shall maintain and protect the privacy of such information and, upon closing of a Transaction, shall be entitled to use the personal information provided to it that is

related to the business and/or the property acquired pursuant to the Sale Process in a manner that 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 and provide confirmation of its destruction if requested by the Receiver.

STALKING HORSE APPROVAL

7. The Receiver is hereby authorized and empowered, *nunc pro tunc*, to enter into the stalking horse purchase agreement dated March [●], 2025 (the “**Stalking Horse APS**”), between the Receiver and 1419195 B.C. Ltd. (the “**Stalking Horse Bidder**”) in the form attached as Appendix “[●]” to the Second Report, with such minor amendments as the Receiver and the Stalking Horse Bidder may agree in writing, and the bid made by the Stalking Horse Bidder pursuant to the Stalking Horse APS is hereby approved as the Stalking Horse Bid; provided that, nothing herein approves the sale and vesting of the Purchased Interests to the Stalking Horse Bidder pursuant to the Stalking Horse APS, and that the approval of the sale and vesting of such Purchased Interests shall be considered by this Court on a subsequent application made to this Court following completion of the Sale Process if the Stalking Horse Bid is the Successful Bid.
8. The Break Fee is hereby approved and the Receiver is hereby authorized and directed to pay the Break Fee subject to and in accordance with the terms of the Stalking Horse APS.

GENERAL

9. The Receiver may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the discharge of its powers and duties under this Order or the interpretation or application of this Order at any time.
10. **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.
11. 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 [●]

Party Lawyer for the Receiver

BY THE COURT

REGISTRAR

Schedule "A" – List of Counsel

<u>Name</u>	<u>Party</u>

No. S-246994
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

KINGSETT MORTGAGE CORPORATION

PETITIONER

AND:

DISTRICT NORTHWEST LIMITED PARTNERSHIP

and

105 UNIVERSITY VIEW HOMES LTD.

and

SURREY CENTRE DISTRICT NW GP LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

SALE PROCESS ORDER

Bennett Jones LLP
Suite 2500, 666 Burrard Street
Vancouver, BC V6C 2X8
Attention: Sean Zweig

Tel No.: (604) 891-7500

APPENDIX L
[ATTACHED]

Stalking Horse Break Fee Analysis
Current as at November 4, 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
IntelGenx Corp.	Atal Life Sciences	CCAA	EY	25-May-24	Quebec	Healthcare	-	150,000	150,000	Unclear - credit bid - secured debt	-	No	
Nevada Copper et al.	Southwest Critical Minerals LLC	Foreign Order Recognition	A&M	09-Aug-24	British Columbia	Mining	390,000	-	3,840,000	128,000,000	300.0%	No	
2673970 Ontario Inc. et al. (Tokyo Smoke)	TS Investments Corp.	CCAA	A&M	12-Sep-24	Ontario	Cannabis	75,000	25,000	390,000	77,000,000 less the "Cure Costs" of any	100.0%	Yes	
Pioneer Balloon Canada Limited	1488108 B.C. Ltd.	NOI	KPMG	20-Jun-24	Ontario	Manufacturing	-	-	100,000	3,700,000	-	Yes	
Humble & Fume Inc.	1000760498 Ontario Inc., BJK Holdings Ltd. and HAB Cann Holdings Ltd.	CCAA	Deloitte	23-Jan-24	Ontario	Cannabis	400,000	-	400,000	approximately \$7.7 million to \$11.1 million	-	Yes	
Heritage Cannabis Holdings Corp.	Summit Partners Credit Fund II, L.P., Summit	CCAA	KPMG	10-Apr-24	Ontario	Cannabis	US\$350,000 reasonable expenses	-	400,000	-	5.2%	Yes	
Canadian Overseas Petroleum Limited	2557904 Ontario Inc.	CCAA	KSV	08-Apr-24	Alberta	Oil & Gas	-	-	-	-	-	Yes	
1000093910 Ontario Inc.		Receivership	KSV	13-Nov-23	Ontario	Real Estate	200,000	50,000	250,000	24,255,000	100.0%	Yes	
BZAM Ltd.	1000816625 Ontario Inc.	CCAA	KSV	01-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	05-Dec-23	Alberta	Distribution	-	200,000	200,000	13,000,000	150.0%	Yes	
Midnight Integrated Financial Inc.	2593054 Alberta Ltd., Aquilin Development LP, Garibaldi	CCAA	EY	04-Mar-24	Alberta	Financial Services	-	-	-	11,000,000 - approximately \$80.41 million	-	No	
Garibaldi at Squamish Limited	Inviso Diversified Income Limited Partnership	Receivership	EY	13-Mar-24	British Columbia	Other	500,000	-	500,000	-	60.0%	Yes	Term Sheet
Free Rein Resources Limited		NOI	FTI	01-Aug-23	Alberta	Oil & Gas	-	-	-	-	-	Yes	
Humble & Fume Inc., Lighthouse Immersive Inc. and Lighthouse Immersive USA	1000760498 Ontario Inc., SCS Finance, Inc., Wascare Equipment Finance Limited and Far North Power Corp.	CCAA	Deloitte B. Riley Farber	01-Jan-24	Ontario	Cannabis	-	-	-	3,700,000	-	Yes	
Validus Power Corp. et al.		CCAA	KSV	19-Oct-23	Ontario	Professional Services	1,260,000	1,000,000	2,260,000	59,000,000	3.9%	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	01-Jul-23	British Columbia	Financial Services	700,000	Reasonable expenses also covered	700,000	175,000,000	40.0%	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	1.0%	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	2.4%	Yes	
Digital Orthodontic Care Inc.	Ortho Studios Express, Inc.	Receivership	Richter	10-Aug-23	Ontario	Healthcare	85,000	-	85,000	\$3 million credit bid	2.8%	Yes	
Pathway Health Corp. (TSV: PHC) and Pathway Health Services Corp.	AvonleaDrewry Holdings Inc.	Interim Receivership	KSV	02-Oct-23	Ontario	Healthcare	-	-	62,500	1,250,000	5.0%	Yes	

Aereus Technologies Inc.	1000608245 Ontario Inc.	NOI	B. Riley Farber	04-Aug-23 Ontario	Manufacturing	21,600	-	21,600	Credit bid plus assumed liabilities	-	Yes
IE CA 3 Holdings Limited	NYDIG ABL LLC	Receivership	PwC	07-Jun-23 British Columbia	Financial Services	USD 630,000	-	USD 630,000	USD 21,000,000 Credit bid (release of all obligations owing under DIP loan and bridge loan)	3.0%	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		3.4%	Yes
1194038 Alberta Ltd.	2262576 Alberta Ltd.	Receivership	EY	05-Jun-23 Alberta	Real Estate	125,000	-	125,000	4,375,000	2.8%	Yes
GreenSpace Brands Inc.	2762454 Ontario Inc.	Ontario	PwC	05-Apr-23 Ontario	Food & Accommodation	150,000	-	150,000	~9 million, plus certain assumed liabilities and other amounts	1.7%	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	2.5%	Yes
DCL Corporation	Pigments Holdings, Inc.	CCAA	A&M	21-Dec-22 Ontario	Distribution	-	-	-	\$166.2 million to \$170.9 million	0.0%	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	07-Feb-23 Ontario	Technology	-	-	-	2.8 million credit bid, plus assumed liabilities, for total consideration of approximately 3 million	-	Yes
Trichome Financial Corp.	15 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	4.0%	Yes

Westoak Naturals Inc.	Avena Foods Limited	Receivership	BDO	09-Nov-22	Ontario	Distribution	30,000	25,000	55,000	1,000,000 credit bid plus the costs of the receivership	5.5%	No
Robus Resources Inc.	Robus Equity Acquisition Corporation, as nominee of Blue Fin Group LLP and Robus Services LLC	Receivership	A&M	08-Dec-22	Alberta	Oil & Gas	182,000		182,000	USDS9,100,000	2.0%	No
The Flour Corporation et al. Solvaqua Inc.	1000343100 Ontario Inc. 2464525 Alberta Ltd.	CCAA Receivership	EY MNP	31-Oct-22 01-Oct-22	Ontario Alberta	Cannabis Other	185,000 175,000		185,000 175,000	\$3,888,888.88 plus the Closing DIP Loan (as defined below) and Assumed Liabilities	4.8% 7.0%	No Y
Cannapiece Group Inc. et al.	Cardinal Advisory Limited	CCAA	BDO	08-Nov-22	Ontario	Cannabis	175,000	25,000	200,000	\$3.5 million cash, plus Assumed Liabilities, if any	5.7%	Yes
ISS 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	5.0%	Yes
Go-To Developments Holdings Inc.	2357616 Ontario Inc.	Receivership	KSV	08-Aug-22	Ontario	Real Estate	-	60,000	60,000	9.5 million or greater	1.0%	No
Just Energy Group	The DIP lenders and one of their affiliates	CCAA	FTI	04-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	3.4%	No
Zenabis Group	2657408 Ontario Inc.	CCAA	EY	16-Jun-22	Quebec	Cannabis	-	750,000	750,000	Unclear - confidential	Unclear	No
Freshlocal Solutions Inc.	Third Eye Capital Corporation	CCAA	EY	17-Jun-22	British Columbia	Retail	Unclear - confidential	Unclear - confidential	Unclear - confidential	Unclear - confidential	2.5%	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		325,000	Approximately \$6,750,000 of which \$6,500,000 will be credited against the indebtedness owing to the purchaser	480.0%	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					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		2.5 million	Credit bid of \$90,759M	275.0%	Yes
Behr Technologies Inc.	13486826 Canada Inc.	NOI	Farber	19-Jan-22	Ontario	Technology	75,000	75,000		75,000	Comprised of a credit bid of \$1,000,000 in debt owing under the DJP Facility plus cash in a to-be-determined amount for priority payables and any	Unclear	Yes
Harte Gold Corp.	1000025833 Ontario Inc.	CCAA	FTI	15-Dec-21	Ontario	Mining	-	-		-		0.0%	No
McEwan Enterprises Inc.	2864785 Ontario Corp.	CCAA	A&M		Ontario	Food & Accommodation	390,000	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	05-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.	2752827 Ontario Inc.	Receivership	BDO	06-Sep-21	Ontario	Professional Services	250,000	50,000		300,000	13,000,000	2.3%	Yes

O2 Industries Inc.	2841551 Ontario Limited	Receivership	RSM	13-Jul-05	Ontario	Healthcare	-	-	-	-	-	0.0%	Yes
Turriss (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	2.7%	Yes	
Salt Bush Energy Ltd.	Ironbark Energy Ltd.	NOI	Deloitte	02-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	0.0%	Yes	
Family Fitness Inc.	BTA Real Estate Group Inc.	Receivership	A&M	15-Jan-21	Saskatchewan	Other	40,000	800,000 plus the assumption of assumed liabilities	40,000	40,000	5.0%	Yes	