



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

THIRD REPORT OF THE RECEIVER

June 18, 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 Columbia<sup>1</sup> (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 “**Initial Debtors**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including all proceeds thereof (together with the Lands, the “**Property**”).
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 Initial Debtors’ request to provide them with an opportunity to secure a comprehensive refinancing or other transaction capable of repaying KingSett Mortgage Corporation (“**KingSett**”), the Initial Debtors’ largest and senior secured creditor, permitting the District Project (as defined below) to continue, and obviating the need for these proceedings.

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

4. The Initial 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 – 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’ (as defined below) stakeholders.
5. On April 2, 2025, on application by the Receiver, the Court granted:
  - 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**”, and together with the Initial Debtors, the “**Debtors**”) presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including the proceeds thereof (collectively with the Property, the “**Receivership 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 the 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.
- 6. Copies of the Amended and Restated Receivership Order and Sale Procedure Order are attached as **Appendices “A”** and **“B”**, respectively.

### 1.1 Purposes of this Third Report

- 1. The purposes of this third report (this “**Third Report**”) are to provide an update regarding these proceedings and information in support of the Receiver’s application for the following relief:
  - a) an order (the “**Amended Sale Procedure Order**”), among other things, approving an amended sale procedure, substantially as described in Section 4 of this Third Report (the “**Amended Sale Procedure**”), including the proposed retention of Jones Lang LaSalle Real Estate Services, Inc., to act as listing agent therein (“**JLL**” or the “**Sales Agent**”), and authorizing the Receiver and the Sales Agent to carry out the Amended Sale Procedure in accordance with its terms and the terms of the Amended Sale Procedure Order; and

- b) an order (the “**Interim Distribution and Ancillary Order**”), among other things:
- i. authorizing the Receiver to distribute by way of one or more distributions (collectively, the “**Distributions**”) to KingSett, all interest accrued and that will continue to accrue prior to the applicable Distribution (collectively, the “**Accrued Interest**”) on the Deposits provided in connection with Pre-Sale Contracts rescinded by the Pre-Sale Purchasers (as defined below) in accordance with REDMA and the *Real Estate Development Marketing Regulation*, B.C. Reg. 505/2004, as amended (“**REDMR**”), subject to such holdbacks as the Receiver considers necessary or appropriate to fund these proceedings, including, without limitation, the Receiver’s fees and the fees of its counsel;
  - ii. approving the activities of the Receiver as set out in the First Report of the Receiver dated January 21, 2025 (the “**First Report**”), the Second Report of the Receiver dated March 24, 2025 (the “**Second Report**”), and this Third Report; and
  - iii. authorizing RBS to release the Administration Fees currently held in trust by it, and to pay such Administration Fees to itself.

## 1.2 Scope and Terms of Reference

1. In preparing this Third 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 Thind 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 Third 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 Third Report are in Canadian dollars.

## 1.4 Court Materials

1. Additional information about the Debtors is set out in the First Report, the Second Report, and the affidavit of Daniel Pollack sworn on October 9, 2024 (the “**Pollack Affidavit**”). The First Report, the Second Report, the Pollack Affidavit, and all other relevant materials filed in these receivership proceedings can be found on the Receiver’s case website at: [www.ksvadvisory.com/experience/case/dnw](http://www.ksvadvisory.com/experience/case/dnw) (the “**Case Website**”).

## 2.0 Background

1. 105 University and District GP are corporations incorporated pursuant to the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, 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. District GP is the general partner of District LP.

### 2.1 District Northwest Project

1. Prior to the Receivership Order, the Debtors 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 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 marketing 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 (each, a “**Pre-Sale Unit**”) 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.

### 2.2 KingSett Indebtedness

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; and
  - d) a direction, acknowledgement, and security agreement dated February 24, 2022, granted by the Initial Debtors in favour of KingSett (the “**Acknowledgement and Security Agreement**”).
4. On August 30, 2024, following the Initial 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**”). 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 Order**”) confirming the validity and priority, subject only to the Receiver’s Charge and the Receiver’s Borrowings Charge (each as defined in the Amended and Restated Receivership Order), of the above-referenced 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 Order at the rate set out therein. A copy of the Judgement Order was attached to the Second Report as Appendix “C” and is available on the Case Website.



### 3.0 Sale Procedure

1. The Sale Procedure, which was anchored by the Stalking Horse APS, was intended to solicit interest in, and opportunities for, a sale of the Receivership Property, including indirectly by way of a share sale (the “**Sale**”). A detailed summary of the Sale Procedure was provided in the Second Report and is not repeated herein.
2. The Sale Procedure consists of the following two phases:
  - a) Phase 1 – required the submission of non-binding letters of intent (“**LOI**”) and executed non-disclosure agreements (each, an “**NDA**”) by potential bidders by no later than 5:00 p.m. (Pacific Time) on May 9, 2025; and
  - b) Phase 2 – required the submission by Qualified Bidders (as defined in the Sale Procedure) of binding offers (“**Sale Procedure Bids**”) by no later than 5:00 p.m. (Pacific Time) on June 13, 2025 (the “**Sale Procedure Bid Deadline**”).

### 3.1 Marketing

1. Pursuant to and in connection with the Sale Procedure, the Receiver, among other things:
  - a) filed a new disclosure statement (the “**New Disclosure Statement**”) with the British Columbia Financial Services Authority (the “**BCFSA**”) on April 4, 2025;
  - b) prepared an interest solicitation letter (the “**Teaser**”) describing the Receivership Property, outlining the Sale Procedure, and inviting recipients to express their interest in making a Qualified Bid (as defined in the Sale Procedure), for distribution to potential bidders;
  - c) prepared an NDA that interested parties were required to sign to obtain access to a virtual data room (the “**VDR**”) that the Receiver managed; and
  - d) beginning on April 9, 2025, distributed the Teaser and NDA to 202 potential purchasers, developers, and investors.

### 3.2 Pre-Sale Contract Addendum Process

1. As described in the Second Report, the Stalking Horse APS required 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 have exercised their right of rescission under REDMA and must have executed and delivered to the Receiver an addendum to the Pre-Sale Contract (the “**Addendum to Pre-Sale Contract**”), among other things:
  - a) amending the outside date of December 31, 2027 (the “**Contract Outside Date**”) to December 31, 2030 (the “**Revised Contract Outside Date**”), conditional upon, on or before September 10, 2025, or such later date as the Receiver and the Satisfactory Bidder (as defined below) may agree, provided that such date is no later than December 31, 2025:
    - i. the Court approving the Stalking Horse Bid or the bid of such other successful bidder satisfactory to the applicable Pre-Sale Purchaser (the Stalking Horse Bidder or such other successful bidder being, the “**Satisfactory Bidder**”); and
    - ii. the completion of the Sale, directly or indirectly, by the Receiver to the Satisfactory Bidder;
  - b) acknowledging that such Pre-Sale Purchaser had received and reviewed the New Disclosure Statement; and
  - c) permitting the Receiver to transfer all Deposits under the Retained Pre-Sale Contracts (as defined in the Stalking Horse APS) to another person authorized pursuant to REDMA to hold such deposits.
2. Pursuant to and in accordance with the Sale Procedure and the Sale Procedure Order, the Receiver, with the assistance of Rennie, distributed the following documents (collectively, the “**Pre-Sale Purchaser Package**”) to the Pre-Sale Purchasers:
  - 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, their rights of rescission under REDMA and the retention by RBS of the Administration Fees (the **“Pre-Sale Purchaser Notice”**).
- 3. A copy of the Pre-Sale Purchaser Notice is attached as **Appendix “C”**.
- 4. In addition to distributing the Pre-Sale Purchaser Package, Rennie has been facilitating the consensual execution of the Addendums to Pre-Sale Contract with the Pre-Sale Purchasers (the **“Pre-Sale Contract Addendum Process”**).<sup>2</sup>
- 5. To provide additional clarity and ensure that all Pre-Sale Purchasers were apprised of the New Disclosure Statement, their rights of rescission under REDMA, RBS’ retention of the Administration Fees, and the treatment of the Deposits and the Accrued Interest for those Pre-Sale Purchasers voluntarily electing to rescind their Pre-Sale Contracts, the Receiver published a plain terms notice to Pre-Sale Purchasers on the Case Website and provided a copy of same to Rennie on April 22, 2025 (the **“April Notice”**). Rennie subsequently distributed the April Notice to the appropriate Pre-Sale Purchasers. Among other things, the April Notice:
  - a) advised of the transfer of the Deposits to Bennett Jones, in trust, exclusive of the Administration Fees;
  - b) described the steps required to be taken by Pre-Sale Purchasers wishing to voluntarily rescind their Pre-Sale Contracts, and directed such Pre-Sale Purchasers to the forms of rescission notice (each, a **“Rescission Notice”**) and acknowledgement (the **“Acknowledgement”**) required to be executed to facilitate such rescission, copies of which are attached as **Appendices “D”** and **“E”**, respectively;
  - c) noted that Pre-Sale Purchasers that validly rescind their Pre-Sale Contracts in accordance with REDMA and REDMR are entitled to the return of the principal amount of their Deposits, less any applicable Administration Fees; and
  - d) advised that, in accordance with the Pre-Sale Contracts, no Accrued Interest is payable to Pre-Sale Purchasers that elect to rescind their Pre-Sale Contracts.

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<sup>2</sup> As discussed in the Second Report, the Receiver engaged Rennie pursuant to its existing Marketing Agreement for the purposes of distributing the Pre-Sale Purchaser Package and assisting in the Pre-Sale Contract Addendum Process.

6. A copy of the April Notice is attached as **Appendix “F”**.

### **3.3 Termination of the Stalking Horse APS**

1. As the number of Pre-Sale Purchasers electing to rescind their Pre-Sale Contracts exceeded the thresholds contemplated under Sections 5.3(c) and 5.3(f) of the Stalking Horse APS, the Stalking Horse Bidder’s conditions precedent under the Stalking Horse APS could not be satisfied on or before June 6, 2025.
2. As a result of the number of valid rescissions received, and following good faith discussions between the Receiver, the Stalking Horse Bidder and their respective counsel regarding a waiver of such conditions or a consensual amendment to the Stalking Horse APS, the Stalking Horse APS was mutually terminated on May 30, 2025. Such mutual termination entitled the Stalking Horse Bidder to the return of its deposit. It did not, however, give rise to an obligation to pay the Break Fee.
3. The Receiver, with the assistance of Rennie (as applicable), intends to continue to conduct the Pre-Sale Contract Addendum Process with respect to those Pre-Sale Purchasers that have neither signed the Acknowledgement nor the Rescission Notice. Additionally, the Receiver, with the assistance of Rennie, expects to continue to liaise with those Pre-Sale Purchasers that have submitted a Rescission Notice but have not signed the Acknowledgment.

### **3.4 Extension of the Sale Procedure Bid Deadline**

1. As a result of the mutual termination of the Stalking Horse APS, the Receiver sent a notice (the **“Sale Procedure Notice”**) to the participants in the Sale Procedure advising that:
  - a) the Stalking Horse APS had been mutually terminated;
  - b) the Receiver retained discretion to waive the Qualified Bid Requirements (as defined in the Sale Procedure);
  - c) the Sale Procedure Bid Deadline was extended to 5:00 p.m. (Pacific Time) on June 27, 2025; and
  - d) the Receiver retained discretion to modify the Sale Procedure, including by applying to the Court for an order amending the Sale Procedure, notwithstanding the extension of the Sale Procedure Bid Deadline.
2. A copy of the Sale Procedure Notice is attached as **Appendix “G”**.

3. Having regard to the interests of the Debtors' stakeholders, and the interest expressed in the Sale Procedure to date, the Receiver now seeks approval of the Amended Sale Procedure to market, and enhance the prospects of maximizing the value of, the Receivership Property.

## **4.0 Amended Sale Procedure**

### **4.1 Listing Agreement**

1. Pursuant to its existing authority under the Amended and Restated Receivership Order to engage consultants, agents, experts, real estate brokers and such other persons from time to time to assist in the exercise of the Receiver's powers and duties, the Receiver recommends that JLL be selected as the listing agent for the Receivership Property for the purposes of the Amended Sale Procedure. The Receiver has already held an initial call with JLL to discuss its proposed retention as the Sales Agent.
2. JLL is a leading national brokerage, with the requisite experience and expertise to market the Receivership Property, including in-depth knowledge of the Greater Vancouver Area market. Moreover, JLL is currently engaged as the Court-approved sales agent for KSV Restructuring Inc., in its capacity as Court-appointed receiver, in connection with a similar property in the receivership proceedings of certain parties related to the Debtors, on substantially identical terms (the "**Highline/Minoru Receivership Proceedings**").
3. KingSett, the likely fulcrum creditor in these proceedings, supports the engagement of JLL as the Sales Agent.

### **4.2 Development of the Sale Procedure and its Timeline**

1. The Receiver developed the proposed Amended Sale Procedure, in consultation with JLL, to solicit interest in the Receivership Property. The Amended Sale Procedure is intended to be a flexible, efficient, and fair process for canvassing the market for potential purchasers and maximizing the value of the Receivership Property and recovery for the Debtors' creditors.

2. The terms of the Amended Sale Procedure are summarized below. Its timeline is as follows:

Milestone	Timeline
Distribution of marketing materials	No later than 20 days after the issuance of the Amended Sale Procedure Order (the “ <b>Launch Date</b> ”)
Bid Deadline	No later than six weeks from the Launch Date (the “ <b>Bid Deadline</b> ”)
Shortlisting of Bids	Within one week from Bid Deadline
Selected bidders to perform final due diligence	Within 30 days from selection of successful bidder(s) (each, a “ <b>Successful Bidder</b> ”)
Sale Approval Application	15 to 30 days from the date that the Successful Bidder(s) confirms all conditions have been satisfied or waived

#### 4.3 Marketing Materials

1. As soon as practicable (and in any case, within 20 calendar days after the Amended Sale Procedure Order is granted), the Sales Agent will, among other things:
  - a) develop a master prospects list and have pre-marketing discussions with certain targeted prospects;
  - b) engage in discussions with planners, consultants, and municipalities, to the extent applicable;
  - c) prepare a teaser letter and confidential information memorandum (collectively with a confidentially agreement to be prepared by the Receiver and its counsel, the “**Marketing Materials**”);
  - d) populate a virtual data room for the Receivership Property; and
  - e) consult with the Receiver regarding each of the foregoing.
2. For a period of four to six weeks from the Launch Date, the Sales Agent will, among other things:
  - a) distribute the Marketing Materials to its client base and the listing of potential purchasers, including specifically targeted prospects;

- b) publish the acquisition opportunity in such journals, publications, and online as the Sales Agent and the Receiver believe appropriate to maximize interest in this opportunity;
- c) post “for sale” signs on the Lands, to the extent applicable;
- d) offer the Receivership Property for sale on an unpriced basis or post the Receivership Property or the Lands for sale on a Multiple Listing Service for \$1.00, as requested by the Receiver;
- e) directly canvass likely prospects;
- f) meet with prospective bidders to explain the potential for the Lands;
- g) include a form of purchase and sale agreement prepared by the Receiver and its counsel in the virtual data room; and
- h) facilitate diligence for interested parties.

#### **4.4 The Bid Deadline and Selection of Successful Bidder**

1. Prospective purchasers will be required to submit a purchase and sale agreement in the form prepared by the Receiver and its counsel, together with a blackline reflecting any proposed revisions, by the Bid Deadline.
2. One week from the Bid Deadline, among other things:
  - a) the Sales Agent will collect and summarize all of the offers received by the Bid Deadline;
  - b) the Receiver may consult with relevant stakeholders regarding the offers received (subject to any confidentiality requirements that the Receiver believes appropriate), following which the Sales Agent may recommend that clean offers be submitted by bidders;
  - c) the Receiver may short list bidders;
  - d) the Receiver may invite short-listed bidders to improve their offers and conduct multiple bidding rounds to maximize consideration and minimize execution risk;
  - e) the Receiver may seek to clarify the terms of offers submitted and negotiate such terms;

- f) the Receiver may consult with relevant stakeholders regarding any improved or clarified offers received (subject to any confidentiality requirements that the Receiver believes appropriate);
  - g) the Receiver will select the Successful Bidder(s), having regard to, among other things:
    - i. the total consideration;
    - ii. the form of consideration being offered;
    - iii. any third-party approvals required;
    - iv. any conditions to closing and the time required to satisfy or waive same; and
    - v. any other factors affecting the speed and certainty of closing and the value of the offer(s) as the Receiver considers relevant.
3. Within 30 days of their selection, the Successful Bidder(s) shall address any of the outstanding diligence conditions to which its or their bids, as applicable, are subject (each, a “**Successful Bid**”). Following the execution of the applicable definitive transaction documents, the Receiver will seek Court approval of the Successful Bid(s). The Sales Agent will continue to engage with any back-up bidders in the event that the Successful Bid does not proceed or fails to close.
4. Additional terms of the Amended Sale Procedure include the following:
- a) the Receivership Property will be marketed and sold on an “as-is, where-is” basis, with standard representations and warranties for the sale of real and other property in receivership;
  - b) a 1% commission plus applicable GST (the “**Listing Fee**”) will be payable to JLL upon a Court-approved sale or transfer of the Receivership Property, subject to certain customary conditions and carveouts;
  - c) to the extent permitted by law, all of the right, title, and interest of the Debtors in the Receivership Property will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to one or more approval and vesting orders to be sought by the Receiver, subject to customary permitted encumbrances;



- d) the Receiver, after consultation with KingSett, will have the right to reject any and all offers and shall not be under any obligation to accept any offer, including the highest and best offers;
- e) KingSett will retain the right to credit bid the KingSett Indebtedness in respect of the Receivership Property if, at the conclusion of the Amended Sale Procedure, there are no acceptable offers that the Receiver is prepared to bring forward for Court approval, following consultation with KingSett;
- f) if the Receiver determines, in its sole discretion, that it will assist to maximize recoveries, the Receiver will have the right to: (i) waive strict compliance with the terms of the Amended Sale Procedure; and (ii) modify and adopt such other procedures that will better promote the sale of the Receivership Property; and
- g) any material modifications to, or the suspension or termination of, the Amended Sale Procedure shall require Court approval, subject to the Receiver's right to extend any and all of the deadlines therein.

#### **4.5 Recommendation Regarding the Amended Sale Procedure**

1. The Receiver recommends that the Court issue the proposed Amended Sale Procedure Order approving the Amended Sale Procedure for the following reasons:
  - a) based on the expressions of interest received and activity to date, the Receiver is of the view that it is in the best interests of the Debtors and their stakeholders to amend the Sale Procedure;
  - b) the Sale Procedure and the Sale Procedure Order authorized the Receiver to amend the Sale Procedure with the prior written consent of the Stalking Horse Bidder, or by further order of the Court;
  - c) the proposed Amended Sale Procedure was developed by the Receiver, in consultation with the Sales Agent, with a view to providing a flexible, efficient, and fair process for canvassing the market for potential purchasers and maximizing the value of the Receivership Property and recovery for the Debtors' creditors;
  - d) the Amended Sale Procedure is consistent with other insolvency sale processes approved by the Court for real property, including in the Highline/Minoru Receivership Proceedings;

- e) the Amended Sale Procedure will be conducted and overseen by the Receiver and the Sales Agent;
- f) given the Sales Agent's experience marketing comparable assets, its involvement is expected to enhance the efficiency and commercial effectiveness of the Amended Sale Procedure and, based on the Receiver's experience, the Listing Fee that may be payable to JLL is consistent with market rates for an engagement of this nature and is commercially reasonable;
- g) the Amended Sale Procedure will enable the Receiver and the Sales Agent to broadly market the Receivership Property and optimize the chances of securing the maximum purchase price for the Receivership Property available in the circumstances;
- h) the Amended Sale Procedure is in the best interests of the Debtors' stakeholders;
- i) the duration of the Amended Sale Procedure is sufficient to allow interested parties to perform diligence and submit offers, and limits the undue accrual of interest on the KingSett Indebtedness; and
- j) KingSett, the Debtors' senior secured creditor and largest financial stakeholder, is supportive of the Amended Sale Procedure.

## **5.0 Distribution of Accrued Interest**

1. The Pre-Sale Contracts permitted but did not obligate District LP, as vendor, to invest each Deposit received in an interest-bearing trust account with a Canadian chartered bank, trust company or credit union with interest to accrue to the credit of District LP, except as otherwise expressly provided in the Pre-Sale Contracts. District LP elected to invest the Deposits in an interest-bearing trust account as permitted under the Pre-Sale Contracts. A copy of the form of Pre-Sale Contract used by District LP was attached to the Second Report as Appendix "B".
2. Pursuant to the Pre-Sale Contracts, among other things:
  - a) Accrued Interest is only payable to Pre-Sale Purchasers where:
    - i. District LP fails to complete the sale of the applicable Pre-Sale Unit in accordance with the Pre-Sale Contract;

- ii. the applicable Pre-Sale Unit has not been completed by the Contract Outside Date (as it may be extended in the discretion of District LP in accordance with the terms of the Pre-Sale Contract) and the parties have not agreed to a mutual extension of such Contract Outside Date; or
    - iii. the applicable Pre-Sale Purchaser fails to provide notice of waiver or satisfaction of such Pre-Sale Purchaser's conditions precedent (with the standard form of Pre-Sale Contract providing no such conditions precedent);
  - b) all Accrued Interest is to the credit of District LP save for the limited exceptions noted immediately above; and
  - c) all Accrued Interest earned on Deposits associated with Pre-Sale Contracts that Pre-Sale Purchasers fail to complete is expressly payable to District LP.
3. Given the terms of the Pre-Sale Contracts, the Receiver advised all Pre-Sale Purchasers in the April Notice that no Accrued Interest is payable to Pre-Sale Purchasers that elect to rescind their Pre-Sale Contracts.
4. To reduce the Debtors' ongoing interest obligations of approximately \$30,293.47 per day and to facilitate the efficient and timely administration of the estates, the Receiver recommends that the Court authorize the Receiver to distribute the Accrued Interest payable to District LP to KingSett by way of the Distributions in partial satisfaction of the KingSett Indebtedness for the following reasons:
- a) as set out in the Second Report, the Receiver's independent counsel has provided a written opinion that the security granted by 105 University and District LP in favour of KingSett constitutes valid security, enforceable in accordance with its terms, and perfected, where necessary by registration;
  - b) the validity, enforceability and senior priority of KingSett's security, subject to the Receiver's Charge and the Receiver's Borrowings Charge, has been determined by the Court pursuant to the Judgement Order, including the Acknowledgement and Security Agreement;
  - c) the Distributions will reduce the KingSett Indebtedness, resulting in a corresponding reduction in 105 University's and District LP's substantial interest obligations;

- d) based on the terms of the Pre-Sale Contracts all Accrued Interest on the Deposits provided in connection with the Pre-Sale Contracts voluntarily rescinded by Pre-Sale Purchasers constitutes Property of District LP; and
- e) while certain Pre-Sale Purchasers have expressed a preference to be paid Accrued Interest upon the voluntary rescission of their Pre-Sale Contracts, the Receiver has not received any formal objection to District LP's retention of the Accrued Interest.

## **6.0 Release of Administration Fees**

1. Pursuant to the Amended and Restated Receivership Order, RBS was authorized and directed to transfer the Deposits and all interest thereon to Bennett Jones, in trust, exclusive of the Administration Fees that RBS was entitled to charge and deduct from each deposit pursuant to the Pre-Sale Contracts (as acknowledged by the Pre-Sale Purchasers). To provide Pre-Sale Purchasers with additional notice of the retention of the Administration Fees, the Amended and Restated Receivership Order also directed RBS to hold the Administration Fees in trust pending further order of the Court.
2. As described in the Second Report, the Receiver expected to obtain an order directing the release of the Administration Fees to RBS on an application to be brought subsequent to the delivery of the Pre-Sale Purchaser Notice. Having delivered the Pre-Sale Purchaser Notice, the Receiver is now seeking authorization for RBS to release the Administration Fees from trust and pay such amounts to itself, in accordance with the terms of the Pre-Sale Contracts, for the following reasons:
  - a) under the Pre-Sale Contracts, all Pre-Sale Purchasers acknowledged that RBS was entitled to charge and deduct the Administration Fees from each payment made comprising a Deposit;
  - b) the Receiver understands that the Court has previously approved the retention and payment of an administration fee by and to a vendor's legal counsel in accordance with a pre-sale contract of purchase containing, in relevant part, substantially similar terms as those set out in the Pre-Sale Contracts;
  - c) the Receiver has provided Pre-Sale Purchasers with additional notice of RBS' proposed retention of the Administration Fees, as contemplated by the Pre-Sale Contracts; and

- d) the Receiver is not aware of any objection to the Administration Fees' retention by, and payment to, RBS as contemplated by the Pre-Sale Contracts.

## **7.0 Other Activities of the Receiver**

1. In addition to the items discussed above, since the Second Report, the Receiver has performed the following key activities:
  - a) corresponding extensively with the Debtors, including representatives of Thind, 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) obtaining approval of the Sale Procedure and the Stalking Horse APS;
  - d) attending to various matters with respect to the requirements under REDMA, including, among other things, corresponding with Bennett Jones and the BCFSA regarding the filing of the New Disclosure Statement and the obligations of the Receiver and the Debtors under REDMA;
  - e) with the assistance of Bennett Jones, preparing and filing the New Disclosure Statement;
  - f) with the assistance of Rennie, preparing and implementing the Pre-Sale Contract Addendum Process;
  - g) with the assistance of Bennett Jones and Rennie, facilitating the return of the Deposits to those Pre-Sale Purchasers that validly rescinded their Pre-Sale Contracts in accordance with REDMA and REDMR;
  - h) drafting the Teaser and maintaining the VDR throughout the Sale Procedure;
  - i) preparing the Pre-Sale Purchaser Notice and the April Notice;
  - j) engaging in extensive email and telephone correspondence with Rennie and various Pre-Sale Purchasers regarding the Pre-Sale Purchaser Package, the Deposits, and the status of these proceedings;
  - k) corresponding with the Stalking Horse Bidder regarding the Sale Procedure and the mutual termination of the Stalking Horse APS;

- l) engaging with JLL regarding the Amended Sale Procedure and its retention as the Sales Agent;
- m) corresponding with the Canada Revenue Agency with respect to tax accounts and remittances;
- n) preparing and submitting the declaration required pursuant to the *Speculation and Vacancy Tax Act*, S.B.C. 2018, c 46 in respect of the Lands;
- o) working with Bennett Jones to prepare the application materials in respect of the relief to be sought by the Receiver;
- p) maintaining the Case Website; and
- q) preparing this Third Report.

## 8.0 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 Third Report.

\* \* \*

All of which is respectfully submitted,

**KSV RESTRUCTURING INC.,**  
**solely in its capacity as 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 or corporate capacity**



Per: Jason Knight  
Managing Director

## **Appendix “A”**

SUPREME COURT  
OF BRITISH COLUMBIA  
VANCOUVER REGISTRY

APR 02 2025

ENTERED



IN THE SUPREME COURT OF BRITISH COLUMBIA

No. S-246994  
Vancouver Registry

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**

**AMENDED AND RESTATED RECEIVERSHIP ORDER**

BEFORE

}

THE HONOURABLE JUSTICE  
FITZPATRICK

}

2025/04/02  
APR

**ON THE APPLICATION** of KSV Restructuring Inc. ("KSV"), in its capacity as 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. and District Northwest Limited Partnership 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.

02 APR 2025

**AND ON READING** the Affidavit #1 of Daniel Pollack made October 9, 2024, each consent of KSV to act as the Receiver, the First Report of the Receiver dated January 21, 2025, and the Second



Report of the Receiver dated March 24, 2025 (the “**Second Report**”); **AND ON HEARING** Joshua Foster, counsel for the Receiver, and those other counsel listed on Schedule “A” hereto.

**THIS COURT ORDERS AND DECLARES THAT:**

**APPOINTMENT**

1. 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**”), KSV is appointed Receiver, without security, of 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 (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, cease to perform any contracts of the Debtors, and 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**”);
  - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, appraisers, real estate brokers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including, without limitation, those conferred by this Order;
  - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting these amounts, including, without limitation, enforcement of any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtors, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - (i) without the approval of this Court in respect of a single transaction for consideration up to \$500,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000, and
  - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

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

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) to apply for remedies available under the *BIA*, including to declare or make an assignment into bankruptcy in respect of the Debtors; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

3. Each of (i) the Debtors; (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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 the performance, actions, errors, omissions or negligence by or of any construction manager, project manager, developer, contractor, subcontractor or other service provider, and all other persons acting on their behalf, or the Receiver's appointment or the carrying out the provisions of this Order, save and except:
- (a) any gross negligence or wilful misconduct on the Receiver's 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 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*.

## DEPOSITS

34. Richards Buell Sutton LLP is hereby authorized and directed to release and transfer all deposits and interest thereon currently held in trust by it, as trustee, in connection with the Pre-Sale Contracts (as defined in the Second Report) to Bennett Jones LLP, in trust (collectively, the “**Deposits**”), exclusive of all applicable administration fees and taxes to be remitted by Richards Buell Sutton LLP on such administration fees (collectively, the “**Administration Fees**”). Bennett Jones LLP is hereby authorized and directed to release and transfer the Deposits received from Richards Buell Sutton LLP in accordance with Section 18(2) of REDMA and any further Order of this Court. Richards Buell Sutton LLP shall hold the Administration Fees in trust until further Order of this Court.

**STYLE OF CAUSE**

35. Surrey Centre District NW GP Ltd. is hereby added as a Respondent to these proceedings, and the style of cause 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:

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

RESPONDENTS”

36. All references to “Debtors” in this Order and any further Order of the Court in these proceedings are hereby deemed to include Surrey Centre District NW GP Ltd.
37. Neither the Petitioner nor the Receiver shall be required to amend the Petition filed in these proceedings or to serve copies of the Petition or other filed materials on Surrey Centre District NW GP Ltd.

**GENERAL**


38. 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.
39. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
40. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
41. 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.

42. 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.
43. 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:

PER:   
Signature of Joshua Foster / Ty Fox  
☐ Party ☒ Lawyer for the Receiver

BY THE COURT

  
REGISTRAR





**SCHEDULE "A"**  
**Appearance List**

NAME	APPEARING FOR
Joshua Foster and Ty Fox	KSV Restructuring Inc.
Mary Buttery, KC and Lucas Hodgson	KingSett Mortgage Corporation
Mishaal Gill	1419195 B.C. Ltd.
Richard Pearce	R.A.R. Consultants Ltd.
	Gormeco Canada Consultants Ltd.
	IHZ Developments Ltd.
	IHZ Holdings Ltd.

## SCHEDULE "B"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT

\$ \_\_\_\_\_

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the Receiver (the "**Receiver**") 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 "**Property**"), including all proceeds, appointed by Order of the Supreme Court of British Columbia (the "**Court**") dated the 8<sup>th</sup> day of November, 2024 (as amended and restated, the "**Order**") made in SCBC Action No. S-246994, 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], 202\_.

**KSV Restructuring Inc.**, solely in its capacity  
as Receiver of the Property, and not in its  
personal or corporate 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](mailto:buttery@osler.com), [enewbery@osler.com](mailto:enewbery@osler.com), [lhodgson@osler.com](mailto:lhodgson@osler.com)

**AND TO:**   **KSV Restructuring Inc.**  
c/o Bennett Jones LLP  
Attention: Sean Zweig, Joshua Foster and Andrew Froh  
Email: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com), [fosterj@bennettjones.com](mailto:fosterj@bennettjones.com),  
[froha@bennettjones.com](mailto:froha@bennettjones.com)

**Re:   In the matter of the Receivership of DISTRICT NORTHWEST LIMITED  
PARTNERSHIP, 105 UNIVERSITY VIEW HOMES LTD. and SURREY CENTRE  
DISTRICT NW GP 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: \_\_\_\_\_

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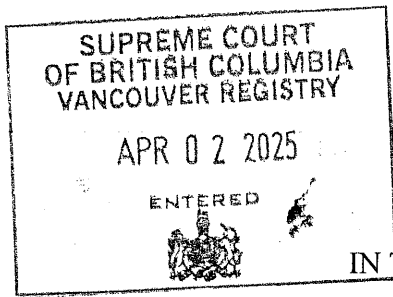
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Creditor's Contact Phone Number: 

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## **Appendix “B”**



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**

BEFORE THE HONOURABLE JUSTICE ) 2025/~~04~~/02  
FITZPATRICK ) APR

**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 2<sup>nd</sup> day of April, 2025; **AND ON HEARING** Joshua Foster, 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 March 24, 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.

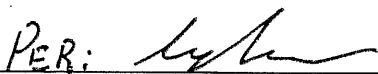
## STALKING HORSE APPROVAL

7. The Receiver is hereby authorized and empowered, *nunc pro tunc*, to enter into the stalking horse purchase agreement dated March 12, 2025 (the "**Stalking Horse APS**"), between the Receiver and 1419195 B.C. Ltd. (the "**Stalking Horse Bidder**") in the form attached as Appendix "K" 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.

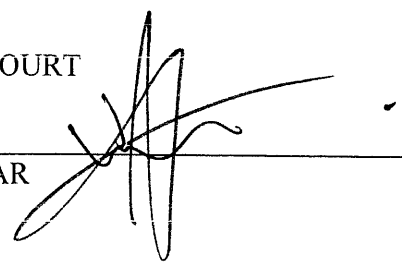
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

PER:   
\_\_\_\_\_  
Signature of Joshua Foster / Ty Fox  
☐ Party ☒ Lawyer for the Receiver



BY THE COURT

\_\_\_\_\_  
REGISTRAR



### **Schedule “A” – List of Counsel**

[illegible]

**Schedule “B” – Sale Procedure**

See attached.

## 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 April 2, 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 April 2, 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 12, 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, among other things, 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 May 9, 2025 (the “ <b>LOI Deadline</b> ”)	LOI Deadline – The deadline for interested parties to submit a letter of intent (“ <b>LOI</b> ”)
5:00 p.m. (Pacific Time) on June 13, 2025 (the “ <b>Final Bid Deadline</b> ”)	Final Bid Deadline – Due date for bids and Deposits (as defined below)
Commencing at 10:00 a.m. Pacific Time within five (5) Business Days of the Receiver determining and notifying the applicable Qualified Bidders that the Auction (as defined below) will take place (the “ <b>Auction Date</b> ”)	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) if the Stalking Horse Bidder is the Successful Bidder (as defined below), and otherwise, no later than forty-five (45) calendar days following the selection of the Successful Bid	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. 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 three (3) Business 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) September 10, 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 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 (i) fifteen (15) Business Days following the selection (or deemed selection) of the Successful Bid if the Stalking Horse Bidder is the Successful Bidder or (ii) forty-five (45) calendar days following the selection of the Successful Bid if the Stalking Horse Bidder is not the Successful Bidder. 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 – 8<sup>th</sup> Avenue, SW  
Calgary, Alberta  
T2P 2Z2 Canada

Attn: Noah Goldstein / Jason Knight  
Email: [ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com) / [jknights@ksvadvisory.com](mailto:jknights@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](mailto:lewismv@bennettjones.com) / [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com) /  
[fosterj@bennettjones.com](mailto: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. Subject to Section 39 herein, 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.

No. S-246994  
Vancouver Registry

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IN THE SUPREME COURT OF BRITISH COLUMBIA

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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**

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

Tel No.: (604) 891-7500

## **Appendix “C”**



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April 7, 2025

**To: Unit purchasers (“Purchasers”) of the project known as “District Northwest”**

**Re: Notice to Purchasers**

KSV Restructuring Inc. was appointed as the receiver (in such capacity, the **“Receiver”**) of the property located at 13438 105A Avenue, Surrey, British Columbia (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 the proceeds thereof (collectively, the **“Property”**), pursuant to an order of the Supreme Court of British Columbia (the **“Court”**) granted on November 8, 2024 (as amended and restated on April 2, 2025, the **“Receivership Order”**).

We are writing to provide an update further to the Receiver’s prior notice to Purchasers dated November 21, 2024 (the **“First Notice to Purchasers”**). This update concerns the receivership proceedings, the Debtors’ mixed-use development project known as “District Northwest” (the **“Project”**), the filing of a new disclosure statement in respect of the Project (the **“Disclosure Statement”**) and the Receiver’s efforts to identify a purchaser of the Project with the means, experience and expertise necessary to complete the Project.

Copies of the Receivership Order, other materials filed in the receivership proceedings and the First Notice to Purchasers, can be found on the Receiver’s case website at: <https://www.ksvadvisory.com/experience/case/dnw> (the **“Receiver’s Website”**).

## **Sale Procedure**

On April 2, 2025, the Court granted an order (the **“Sale Procedure Order”**), among other things, approving:

- (a) sale and solicitation procedures in respect of the Property, including the Project (the **“Sale Procedure”**); and
- (b) a purchase agreement dated March 12, 2025 (the **“APS”**) between the Receiver and 1419195 B.C. Ltd. (the **“Stalking Horse Bidder”**), which will serve as the baseline bid (the **“Stalking Horse Bid”**) in the Sale Procedure.

This Court approval represents a key step toward the potential completion of the Project on a revised timeline and provides a structured process to evaluate qualified bidders.

The Sale Procedure, supported by the Stalking Horse Bid, is intended to fairly and transparently solicit interest from potential bidders with the proven ability to complete the Project. Final bids are due by 5:00 p.m. (Pacific Time) on June 13, 2025. The latest date by which the sale to the successful bidder (whether the Stalking Horse Bidder or another party) must be completed is September 10, 2025.

The APS is deemed to be a qualified bid, and the Stalking Horse Bidder is a qualified bidder, in the Sale Procedure. If no other qualified bids are received, the Stalking Horse Bid will automatically become the successful bid.

Copies of the Sale Procedure Order and the Sale Procedure are available on the Receiver's Website. Additional information regarding the Stalking Horse Bidder is provided below.

## The Stalking Horse Transaction

If the Stalking Horse Bidder is ultimately selected as the successful bidder in the Sale Procedure and the conditions precedent to the APS (the "**Stalking Horse Transaction**") are met, the Project will be acquired by BMG City Centre Limited Partnership (the "**Potential Purchaser**"), the anticipated assignee of the Stalking Horse Bidder. If completed, the Stalking Horse Transaction will result in the Debtors retaining:

- (a) substantially all of their assets (collectively, the "**Retained Assets**"), including the Project and those existing contracts of purchase and sale (collectively, the "**Pre-Sale Contracts**") that remain in effect (collectively, the "**Retained Pre-Sale Contracts**"), as amended by the Addendum to Pre-Sale Contract (as defined below); and
- (b) the ongoing obligations related to the Retained Assets, including the Retained Pre-Sale Contracts.

Completion of the Stalking Horse Transaction is subject to customary conditions, including:

- (a) Court approval of the transaction, confirmation that the Retained Pre-Sale Contracts remain in effect, and the removal of the Debtors from the receivership;
- (b) confirmation (on or before June 13, 2025) that a new disclosure statement will not be required from the Potential Purchaser; and
- (c) as of the closing date, either:
  - (i) the number of Pre-Sale Contracts collectively having sale prices totaling \$420,000,000; or
  - (ii) the number of Pre-Sale Contracts collectively having deposits totaling \$63,000,000, being in good standing and in full force and effect, as amended by an addendum, among other things, amending the definition of "Outside Date" within in each Pre-Sale Contract to December 31, 2030 (the "**Addendum to Pre-Sale Contract**").

## The Potential Purchaser

The Potential Purchaser is an affiliate of the BM Group ("**BMG**"). BMG is a developer with over 25 years of experience and a proven track record in the construction industry throughout the Lower Mainland. Its diverse portfolio includes various residential and commercial projects such as the Walker House development, a 29-storey mixed-use high-rise development in Delta with a daycare facility and separate 5-storey rental building.

BMG is a fully integrated development organization with subsidiaries that provide construction services including construction management, waterproofing and the manufacture and supply of building materials. BMG's direct supply arm includes concrete, steel, and aluminum. BMG's integration of building supply, construction services, and development ensures the reliable and timely development of its projects, while maintaining the highest standards of execution. Moreover, BMG's comprehensive control over building supply services enables it to effectively manage logistical and supply-chain challenges within the construction industry. BMG is committed to the Project and intends to leverage its extensive expertise,

knowledge, and operational capabilities to ensure it is completed efficiently and to the highest quality standards.

Balraj Mann is the founder and CEO of BMG, an esteemed entrepreneur and visionary leader with over four decades of expertise in construction and engineering. Balraj has not only built an empire of successful businesses but has also embedded a culture of resilience, ethics, and forward-thinking strategies within the organization. His leadership extends beyond the boardroom — his philanthropic dedication has made significant impacts through initiatives with the Langley Memorial Hospital Foundation, Kwantlen Polytechnic University, BC Children's Hospital, and Make-A-Wish Foundation. His generosity also extends to sports and cultural sponsorships, educational scholarships, and healthcare initiatives, cementing his legacy as a community pillar.

Carrying forward Balraj Mann's vision is his son, Milan Mann, MBA, the dynamic President of Real Estate Development & Construction at BMG. Milan has been instrumental in expanding BMG's footprint, driving acquisitions, and fostering strategic growth that has propelled the company from a family-operated business into a leader in construction solutions. His expertise in land development, project management, and corporate structuring has been recognized with numerous industry accolades, including On-Site Magazine's Top 40 Under 40 recognition. Milan is also an active community leader, serving on the Langley Memorial Hospital Foundation and supporting Options Community Services, demonstrating his commitment to both business excellence and social impact.

## **New Disclosure Statement & Addendum to Pre-Sale Contract**

The Receiver has filed a new Disclosure Statement in compliance with the *Real Estate Development Marketing Act* and the *Real Estate Development Marketing Regulation*. The Disclosure Statement includes a general description of the Project, addresses matters pertaining to the ownership, construction and development of the Project, and the Addendum to Pre-Sale Contract.

The principal purpose of the Addendum to Pre-Sale Contract is to update the "Outside Date" within each Pre-Sale Contract to December 31, 2030, to reflect the new estimated completion of the Project. This amendment will only take effect if the Potential Purchaser (or another satisfactory bidder) is selected as the successful purchaser and their transaction is completed. If the Potential Purchaser is not the successful bidder, the Receiver may deliver or, with the assistance of Rennie (as defined below), cause an acknowledgement or new Addendum to Pre-Sale Contract to be delivered to Purchasers. To maintain their Pre-Sale Contracts and ability to purchase their units in the Project, Purchasers must execute the Addendum to Pre-Sale Contract. Executed addendums should be submitted to Rennie.

Purchasers are strongly encouraged to review the Disclosure Statement and the exhibits thereto, including the Addendum to Pre-Sale Contract, in full. The Receiver also strongly encourages Purchasers to conduct their own investigation and due diligence related to the Project.

The Receiver has engaged Rennie Marketing Systems, by its partners Rennie Project Marketing Corporation and 541823 B.C. Ltd. (collectively "**Rennie**"), to assist in the delivery of the Disclosure Statement, the Addendum to Presale Contract, and this notice. Should you have any questions regarding the Disclosure Statement or the Addendum to Pre-Sale Contract, please contact [purchaser@rennie.com](mailto:purchaser@rennie.com).

## **Purchaser Deposits & Rights of Rescission**

Pursuant to the Receivership Order, all Purchasers' deposits will be transferred from Richards Buell Sutton LLP to the Receiver's counsel, Bennett Jones LLP, to be held in trust, exclusive of all applicable administration fees charged by Richards Buell Sutton LLP in accordance with the terms of each such Purchaser's Pre-Sale Contract and applicable taxes thereon (collectively, the "**Administration Fees**"). Under the Pre-Sale Contracts, the Administration Fees consist of a fee of not more than \$75.00, plus



applicable taxes, from each payment toward each Purchaser's total deposit, and a service charge of \$25.00 if any payment is returned for non-sufficient funds.

Under section 21 of the *Real Estate Development Marketing Act*, Purchasers may rescind (cancel) their Pre-Sale Contracts by delivering written notice on the Debtors or the Debtors' brokerage within 7 days after the date that the Receiver has obtained from a Purchaser a written statement acknowledging that the Purchaser has had an opportunity to read the Disclosure Statement. The manner in which notice of rescission may be served is described in the *Real Estate Development Marketing Act* and the *Real Estate Development Marketing Regulation*.

Purchasers that rescind their Pre-Sale Contract in accordance with the *Real Estate Development Marketing Act* and the *Real Estate Development Marketing Regulation* will be entitled to the return of their deposits, less any applicable Administration Fees.

\* \* \*

Should you have any questions with respect to this notice letter or the receivership proceedings, please contact Maha Shah at (587)-287-9958 or [mshah@ksvadvisory.com](mailto:mshah@ksvadvisory.com).

Yours truly,

**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS 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 OR CORPORATE  
CAPACITY**

## **Appendix “D”**

**District NW**  
Purchaser's Notice of Rescission

**RE:** Proposed Strata Lot\_\_\_\_\_ (Unit No.\_\_\_\_ ) (the "**Strata Lot**") in the development known as "DISTRICT NW" (the "**Development**") located at the property with a civic address of 13438 105A Avenue, Surrey, British Columbia and legally described as: Parcel Identifier: 031-746-667, Lot A Section 22 Block 5 North Range 2 West New Westminster District Plan EPP111526.

Further to the CONTRACT OF PURCHASE AND SALE dated \_\_\_\_\_, 20\_\_ made between **DISTRICT NORTHWEST LIMITED PARTNERSHIP** as Vendor, and \_\_\_\_\_ as Purchaser(s) in respect of the above-mentioned property (the "**Contract**") and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agree as follows:

Pursuant to the Contract specified above, the Purchaser hereby provides written notice of its election to rescind the Contract. Having no further obligations, the deposit monies will be returned to the Purchaser in accordance with the Contract.

THIS NOTICE WITNESSES that for valuable consideration, (the receipt and sufficiency whereof are hereby acknowledged by the Purchaser), the Purchaser hereby releases and forever discharges the Vendor from all liabilities, obligations, and causes of action against, which had, now has, or may in the future have, arising out of the said Contract.

\_\_\_\_\_  
Purchaser's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchaser's Signature

\_\_\_\_\_  
Date

## **Appendix “E”**

**DISTRICT NW****ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURE STATEMENT**  
***Real Estate Development Marketing Act of British Columbia***

TO: KSV Restructuring Inc., solely in its capacity as the Court-appointed receiver (the "**Receiver**") of certain real and personal property of Surrey Centre District NW GP Ltd., District Northwest Limited Partnership and 105 University View Homes Ltd., and not in any other capacity

\_\_\_\_\_ [insert Purchaser's name(s)] (the "**Purchaser**"), hereby acknowledge(s) and confirm(s) that, prior to entering into a purchase agreement with the Receiver in respect of a development unit in the development known as "DISTRICT NW" (the "**Development**"), to be constructed as part of residential strata development project on the lands located at 13438 105A Avenue, Surrey BC:

1. the Purchaser has received a copy of the Disclosure Statement dated April 4, 2025 (the "**Disclosure Statement**") prepared in respect of the Development in which the Purchaser's development unit is located;
2. the Purchaser has been afforded a reasonable opportunity to read the Disclosure Statement;
3. the Disclosure Statement relates to a development property that is not yet completed and that this information has been drawn to the Purchaser's attention; and
4. the Purchaser has been referred to Section 7.2 of the Disclosure Statement, which section outlines information set out in the purchase agreement.

DATED at \_\_\_\_\_ [city],  
\_\_\_\_\_ [province], this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Purchaser

Witness: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature of Purchaser

Witness: \_\_\_\_\_

\_\_\_\_\_  
Print Name

## **Appendix “F”**



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April 22, 2025

**To: Unit purchasers (“Purchasers”) of the project known as “District Northwest”**

**Re: Update No. 2 to Purchasers**

We are writing to provide an important update about the return of deposits for Purchasers who choose to cancel their pre-sale contracts (the “**Pre-Sale Contracts**”) at the District Northwest project (the “**Project**”).

## Background

Pursuant to an order of the Supreme Court of British Columbia granted on November 8, 2024 (as amended and restated on April 2, 2025, the “**Receivership Order**”), KSV Restructuring Inc. was appointed as the receiver (in such capacity, the “**Receiver**”) of the property located at 13438 105A Avenue, Surrey, British Columbia (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. in all personal property pertaining to the Lands.

The Receivership Order, other materials filed in the receivership proceedings, and the Receiver’s prior notice to Purchasers, can be found at: <https://www.ksvadvisory.com/experience/case/dnw>.

## Purchaser Deposits & Rights of Rescission

Pursuant to the Receivership Order, all Purchasers’ deposits have been transferred from Richards Buell Sutton LLP to the Receiver’s counsel, Bennett Jones LLP, in trust, exclusive of all applicable administration fees charged by Richards Buell Sutton LLP in accordance with the terms of each Purchaser’s Pre-Sale Contract (collectively, the “**Administration Fees**”). Under the Pre-Sale Contracts, the Administration Fees consist of a fee of not more than \$75.00, plus applicable taxes, from each payment toward each Purchaser’s total deposit, and a service charge of \$25.00 if any payment is returned for non-sufficient funds. For example, if three deposit payments were made by a Purchaser, the Administration Fees would total \$225.00 (i.e., \$75.00 x 3 payments).

Purchasers may rescind (cancel) their Pre-Sale Contracts by taking the following steps:

### Step 1: Acknowledging the Disclosure Statement

Signing an acknowledgement form (the “**Acknowledgement**”) confirming that you’ve received and had time to review the new disclosure statement for the Project (the “**Disclosure Statement**”), as contemplated under section 21 of the *Real Estate Development Marketing Act*.

### Step 2: Submitting a Rescission Notice

Submitting a rescission notice (the “**Rescission Notice**”) confirming your decision to cancel the contract within 7 days of signing the Acknowledgement and ensuring your Pre-Sale Contract is validly rescinded.

The Disclosure Statement, Acknowledgement, and Rescission Notice can be obtained at the links below or directly from Rennie Marketing Systems (“**Rennie**”):

- [Disclosure Statement dated April 4, 2025](#)
- [Acknowledgement](#)
- [Rescission Notice](#)

Signed Rescission Notices can be served either by email to [conveyance@rennie.com](mailto:conveyance@rennie.com) or in writing to the Receiver's address provided in the Disclosure Statement. All Rescission Notices served in such a manner will be accepted by the Receiver as having been validly served for the purposes of the *Real Estate Development Marketing Act* and the *Real Estate Development Marketing Regulation*.

## Return of Purchaser Deposits

Purchasers that rescind their Pre-Sale Contracts in accordance with the *Real Estate Development Marketing Act* and the *Real Estate Development Marketing Regulation* will be entitled to the return of the principal amount of their deposits, less any applicable Administration Fees. Specifically:

- Cheques will be available for pickup at Rennie's Surrey office.
- The cheques will be immediately cashable, though your bank may place a hold depending on their policies.
- The Receiver is working to issue cheques as soon as reasonably possible after the receipt of each Acknowledgement and Rescission Notice.

### **Pursuant to the Pre-Sale Contracts, no interest is payable to Purchasers that elect to rescind their Pre-Sale Contracts.**

Should you have any questions regarding the Disclosure Statement, the Acknowledgement, the Rescission Notice, or the return of Purchasers' deposits, please contact Rennie at [conveyance@rennie.com](mailto:conveyance@rennie.com).

\* \* \*

Should you have any questions with respect to this notice letter or the receivership proceedings, please contact Maha Shah at (587) 287-9958 or [mshah@ksvadvisory.com](mailto:mshah@ksvadvisory.com).

Yours truly,



**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS 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 OR CORPORATE  
CAPACITY**



## **Appendix “G”**



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June 13, 2025

**To: Qualified Bidders**

**Re: Extension of the Final Bid Deadline and Compliance with the Qualified Bid Requirements**

We write to provide important updates concerning the Sale Procedure (as defined below), including the mutual termination of the APS (as defined below) and the extension of the Final Bid Deadline to **5:00 p.m. (Pacific Time) on June 27, 2025**, and to encourage Qualified Bidders to submit a Final Bid. All capitalized terms used and not otherwise defined herein have the meaning ascribed to them in the Sale Procedure.

## Background

KSV Restructuring Inc. was appointed as the receiver (in such capacity, the “**Receiver**”) of all of 105 University View Homes Ltd.’s, District Northwest Limited Partnership’s and Surrey Centre District NW GP Ltd.’s (collectively, the “**Debtors**”) right, title and interest in the Receivership Property pursuant to an order of the Supreme Court of British Columbia (the “**Court**”) dated November 8, 2024 (as amended and restated on April 2, 2025, the “**Receivership Order**”).

On April 2, 2025, the Court granted an order (the “**Sale Procedure Order**”), among other things:

- (a) approving the sale solicitation procedures attached as Schedule “B” to the Sale Procedure Order (the “**Sale Procedure**”);
- (b) authorizing the Receiver to enter into the stalking horse purchase agreement dated March 12, 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, in each case, solely for the purposes of the Sale Procedure; and
- (c) authorizing the Receiver to carry out the Sale Procedure in accordance with its terms.

The Receivership Order, the Sale Procedure Order and other materials filed in the receivership proceedings, can be found at: <https://www.ksvadvisory.com/experience/case/dnw>.

## Mutual Termination of the APS and the Qualified Bid Requirements

The APS was mutually terminated in accordance with its terms on May 30, 2025, due to the inability to satisfy the conditions precedent in favour of the Stalking Horse Bidder in Sections 5.3(c) and 5.3(f) thereof. Notwithstanding the termination of the APS, the Sale Procedure remains ongoing.

In light of the termination of the APS, the Receiver reminds Qualified Bidders that the Receiver is permitted (but not obligated) to, in its reasonable discretion, waive compliance with any one or more of the Qualified Bid Requirements, and to deem any non-compliant bid to be a Qualified Bid.

## Extension of the Final Bid Deadline

Pursuant to the Sale Procedure, the Receiver is authorized to extend the Final Bid Deadline, in its reasonable discretion, at any time. In accordance with the Sale Procedure, the Receiver has extended the Final Bid Deadline from **5:00 p.m. (Pacific Time) on June 13, 2025** to **5:00 p.m. (Pacific Time) on June 27, 2025**, for the purposes of maximizing the results achieved in the Sale Procedure, affording Qualified Bidders additional time and facilitating the submission of Final Bids.

Qualified Bidders are strongly encouraged to submit Final Bids by the Final Bid Deadline (as extended).

## Reservation of Rights

Please be advised that the Receiver may, among other things:

- (a) reject, at any time, any 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;
- (b) 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;
- (c) further extend the Final Bid Deadline, and extend 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;
- (d) impose additional terms and conditions and otherwise seek to modify the Sale Procedure at any time to maximize the results obtained, including by applying to the Court for an order amending the Sale Procedure; and
- (e) at any time during the Sale Procedure, 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.

\* \* \*

Should you have any questions regarding the Sale Procedure or with respect to this notice letter or the receivership proceedings, please contact Maha Shah at (587) 287-9958 or [mshah@ksvadvisory.com](mailto:mshah@ksvadvisory.com).

Yours truly,



**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF  
DISTRICT NORTHWEST LIMITED PARTNERSHIP, 105 UNIVERSITY VIEW HOMES LTD. AND  
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