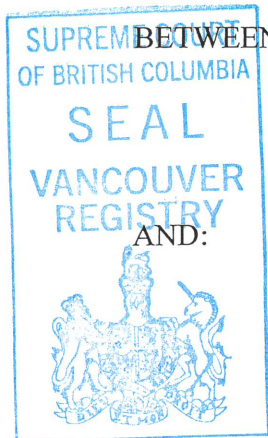


No. S-261032
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA



BETWEEN:

PRICE CAPITAL PARTNERS INC.

PETITIONER

AND:

1274877 B.C. LTD., KINNAIRD KONVERSION LIMITED
PARTNERSHIP, KINNAIRD KONVERSION GP INC.

RESPONDENTS

**ORDER MADE AFTER APPLICATION
(APPROVAL AND REVERSE VESTING ORDER)**

BEFORE THE HONOURABLE JUSTICE COVAL

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April 29, 2026

ON THE APPLICATION of KSV Restructuring Inc, in its capacity as the court-appointed receiver (in such capacity, the "**Receiver**") of 1274877 B.C. Ltd., Kinnaird Konversion Limited Partnership and Kinnaird Konversion GP Inc., coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on April 29, 2026; **AND ON READING** the application materials filed herein, including the First Report of the Receiver dated April 20, 2026 (the "**First Report**"); **AND ON HEARING** Andrew Froh, counsel for the Receiver, and those other counsel as listed in **Schedule "A"** hereto, and no one else appearing, although duly served; **AND PURSUANT TO** the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), the *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES that:

NOTICES & DEFINITIONS

1. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the First Report and the Sale Agreement (as defined below), as applicable.

2. The time for service of the Notice of Application for this order and the materials filed in support is hereby abridged such that this application is properly returnable today, and further service upon any interested party other than those parties on the service list maintained in these proceedings is hereby dispensed with.

APPROVAL OF THE TRANSACTION

3. The sale transaction (the "**Transaction**") contemplated by the Purchase and Sale Agreement dated February 27, 2026 (as amended, the "**Sale Agreement**") between the Receiver, as vendor, and Price Capital Partners Inc., as purchaser (the "**Purchaser**"), a copy of which is attached as **Schedule "B"** hereto, is hereby approved, and the Sale Agreement is commercially reasonable. The completion of the Transaction contemplated by the Sale Agreement is hereby authorized and approved. The Receiver is hereby authorized and directed to take such additional steps and to execute and deliver such additional documents as may be necessary or desirable for the completion of the Transaction, including without limitation for the conveyance to the Purchaser, or its assignee or such other entity as the Purchaser may direct, all of the Debtors' interests in the Purchased Assets, the execution of the documents and the completion of the steps enumerated in and contemplated by the Sale Agreement and herein.

4. The Receiver and the Purchaser, or its assignee, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.

VESTING OF ASSETS AND LIABILITIES

5. Upon delivery by the Receiver to the Purchaser, or its assignee or such other entity as the Purchaser may direct, of a certificate (the "**Receiver's Certificate**"), substantially in the form attached as **Schedule "C"** hereto, confirming receipt by the Receiver of the full amount of the Purchase Price, the following shall occur and be deemed to have occurred on the Closing Date without the need for any further actions or resolutions whether by the shareholders, directors or officers of the Debtors, or otherwise:

- (a) all of the Nominee's right, title and interest in and to, and the Liability and obligations arising in relation to, the Excluded Assets and Excluded Liabilities (as

defined in the Sale Agreement) shall be transferred to and vest absolutely and exclusively in Kinnaird GP and shall become obligations of Kinnaird GP and shall no longer be obligations of the Nominee;

- (b) all Liability, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), Encumbrances and the Excluded Liabilities in respect of the Nominee and the Nominee's right, title and interest in the Excluded Assets shall be transferred to and assumed by and shall vest absolutely and exclusively without resource in Kinnaird GP, and (i) such Claims and Encumbrances shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to the Closing Date, as if the Excluded Assets had not been conveyed and had remained in the possession or control of the person having possession or control immediately prior to the transfer; (ii) such Claims and Encumbrances equal to the fair market value of the Excluded Assets shall be transferred to and assumed by Kinnaird GP in consideration for the transfer of the Purchased Assets; and (iii) the remaining Claims and Encumbrances, and all Excluded Liabilities shall be transferred to and assumed by Kinnaird GP for no consideration as part of, and to facilitate, the implementation of the Transaction;
- (c) all Claims, Encumbrances and the Excluded Liabilities in respect of the Nominee, the Shares, and the Purchased Assets shall be irrevocably and forever expunged, released and discharged as against the Purchaser, the Nominee, and the Purchased Assets;
- (d) all of the Debtors' right, title and interest in and to the Purchased Assets, including for certainty, and without limitation, the Debtors' right, title and interest in the Shares and the Property shall vest absolutely in the Purchaser, its assignee or such other entity as the Purchaser may direct, in fee simple, free and clear of and from Claims including, without limiting the generality of the foregoing: (i) any

encumbrances or charges created by any orders of this court; (ii) all charges, security interests or claims evidenced by registrations against the Nominee or the Debtors in respect of the Purchased Assets pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims enumerated in **Schedule "D"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances listed in **Schedule "E"** hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Nominee and the Purchased Assets;

- (e) the Nominee shall cease to be a party to these proceedings and shall be deemed released from the purview of all orders of this Court granted in these proceedings, save and except for this Order and the Sales Process Order; and
- (f) the Receiver is thereafter authorized to assign Kinnaird GP into bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (as amended, the "**BIA**").

6. Upon presentation for registration in the Land Title Office for the Land District of Vancouver, of a certified copy of this Order, together with a letter from Bennett Jones LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed, having considered the interests of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances (as set out in Schedule "D" hereto) other than the Permitted Encumbrances listed in Schedule "E" hereto.

7. This Order shall constitute the only authorization required by the Receiver or the Purchaser to proceed with the Transaction and except as specifically provided in the Sale Agreement, no director or shareholder approval of the Debtors shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority exercising jurisdiction in respect of the Nominee is required for the due execution, delivery and performance by the Receiver or the Nominee of the Sale Agreement and the completion of the Transaction.

8. As of the Closing Date:

- (a) the Nominee shall continue to hold all legal right, title and interest in and to the Purchased Assets, free and clear of all Claims and Encumbrances and the Excluded Liabilities, except for the those Permitted Encumbrances set out in Schedule "E" hereto;
- (b) the Nominee shall be deemed to have disposed of the Excluded Assets and shall have no right, title or interest in or to the Excluded Assets; and
- (c) the Receiver, on behalf of the Debtors, is thereafter authorized and directed to pay the Priority Claims and the outstanding balance of the Portage Loan from the Purchase Price.

9. From and after the delivery of the Receiver's Certificate, all Claims and Encumbrances released, expunged, and discharged pursuant to this Order shall continue to attach to the proceeds of sale arising from the Transaction and to all Excluded Assets and the Excluded Liabilities with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Nominee's interest in the Purchased Assets had not been transferred and the Purchased Assets remained in the possession or control of the person having had possession or control immediately prior to the sale.

10. From and after the Closing Date, the Purchaser and/or the Nominee shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Nominee and the Purchased Assets of the Claims, Encumbrances and Excluded Liabilities that are transferred to and vested in Kinnaird GP pursuant to this Order.

11. Upon the delivery of the Receiver's Certificate, and upon filing of a certified copy of this Order together with any applicable registration fees, all Governmental Authority exercising jurisdiction with respect to the Nominee, the Purchased Assets, or the Excluded Assets are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and conveyances as may be required to give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Claims and

Encumbrances and Excluded Liabilities against or in respect of the Nominee and the Purchased Assets, and presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authority to do so.

12. Except to the extent expressly contemplated by the Sale Agreement, all assumed Contracts will be and remain in full force and effect upon and following the Closing Date and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such assumed Contracts may accelerate, terminate, rescind, refuse to perform, or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred upon or prior to the Closing Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Debtors);
- (b) the insolvency of the Debtors;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations, or other steps taken or effected pursuant to the Sale Agreement, the Transaction, or the provisions of this order or any other order of the court in these proceedings; or
- (d) any transfer or assignment, or any change of control of the Nominee arising from the implementation of the Sale Agreement, the Transaction, or the provisions of this order.

13. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets (including without limitation, any interest of the Debtors in the Property) shall be delivered by the Receiver to the Purchaser, its assignee or such other entity as the Purchaser may direct, on the Closing Date and the Purchaser, its assignee or such other entity as the Purchaser may direct, will

have possession of the Purchased Assets as of 12:00 noon Vancouver time on the Closing Date subject only to those Permitted Encumbrances set out in Schedule "E" hereto.

14. Notwithstanding:

- (a) these proceedings;
- (b) any applications for a bankruptcy order in respect of the Debtors now or hereafter made pursuant to the BIA and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of the Debtors,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver is directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof to the Purchaser.

16. In addition to and without limiting the rights and protections afforded to the Receiver pursuant to the Receivership Order, the BIA or any orders granted in these proceedings, the Receiver and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or the continued administration of Kinnaird GP and Kinnaird LP, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Receiver pursuant to the Receivership Order, any further order granted in these proceedings, or the BIA shall continue to apply.

RELEASES

17. Upon delivery of the Receiver's Certificate, all persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Receiver, its directors, officers, employees, legal counsel, advisors and representatives, the Nominee or the Purchased Assets, in any way relating to, arising from or in respect of:

[the Purchaser],
(PC)

- (a) the Excluded Assets;
- (b) any and all Claims or Encumbrances and the Excluded Liabilities against or relating to the Nominee, the Excluded Assets or the Purchased Assets existing immediately prior to the Effective Time;
- (c) the insolvency of the Nominee prior to the Closing Date;
- (d) the commencement or existence of these receivership proceedings; or
- (e) the completion of the Transaction.

GENERAL

18. 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.

19. This Court requests the aid and recognition 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 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.

20. Endorsement of this Order by counsel appearing on this Application, other than counsel for the Receiver, is hereby dispensed with.

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



Signature of Andrew Froh

Party Lawyer for the Receiver

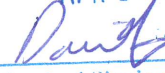
BY THE COURT.



REGISTRAR

Certified a true copy according to the records of the Supreme Court at Vancouver, B.C.

DATED: APR 29 2025



Authorized Signing Officer

Derrick Chinn

FORM CHECKED


SCHEDULE "A" – LIST OF COUNSEL

Name	Party
Andrew Froh	KSV Restructuring Inc., in its capacity as the Receiver

-B-1 -

SCHEDULE "B"
COPY OF SALE AGREEMENT

(See attached)

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated for reference February 27, 2026 and is made

BETWEEN:

KSV RESTRUCTURING INC., solely in its capacity as Receiver of all the assets, undertakings and property of 12744877 B.C. Ltd., Kinnaird Konversion Limited Partnership, and Kinnaird Konversion GP Inc. and not in its personal capacity

(the “**Receiver**”)

AND:

PRICE CAPITAL PARTNERS INC.

(the “**Purchaser**”)

BACKGROUND:

- A. 12744877 B.C. Ltd. (the “**Nominee**”) is the registered owner and Kinnaird Konversion Limited Partnership (“**LP**”) is the beneficial owner of certain lands located in New Westminster, B.C., as more particularly described in Part 1 of Schedule A hereto (the “**Lands**”);
- B. Kinnaird Konversion GP Inc. (“**GP**”, and collectively with the Nominee and the LP, the “**Debtors**”) is the legal and beneficial owner of the Shares (as defined herein);
- C. The Debtors are indebted to the Purchaser in an amount exceeding \$6,000,000.00 as of October 1, 2025 pursuant to a promissory note dated June 16, 2025, among the Purchaser and the Debtors in the amount of \$5,902,208.22, exclusive of legal fees and costs, plus interest that continues to accrue thereon from and after June 16, 2025 (the “**PCP Mortgage Debt**”) various security interests granted by the Debtors in favour of the Purchaser, including a mortgage of the Lands and assignment of rents under registration numbers CB2112487 and CB2112488 (collectively, the “**PCP Mortgage Security**”) and a security interest registered against the Nominee under base registration number 312426R (the “**PCP PPR Security**”);
- D. Pursuant to a commitment letter issued by Portage Capital Corporation on behalf of the Portage Capital Nominee Corp (“**Portage**”) dated December 15, 2020, as amended by a commitment letter amendment dated March 11, 2021, a renewal letter dated February 22, 2024, as amended by a renewal letter amendment dated March 14, 2024 (hereinafter collectively referred to as the “**Commitment Letter**”) Portage agreed to lend the sum of \$18,000,000.00 to the Debtors (the “**Portage Loan**”) secured by a mortgage and assignment of rents registered against the Lands under registration numbers CA8859099 and CA8859100, as modified by CB1247915 and the following security interests registered against:
 - (i) the Nominee under base registration number 839465M; and
 - (ii) the GP and LP under base registration number 839449M.

- E. The Purchaser brought an application before the Supreme Court of British Columbia (the “**Court**”), Vancouver Registry, Action No. S261032 (the “**Action**”), and the Court granted an order (the “**Receivership Order**”) appointing the Receiver as receiver of all the assets, undertakings and property of the Debtors, including the Lands, and the Sales Process Order (as defined herein), authorizing and directing the Receiver to, among other things, approve the sales process for the marketing and sale of the Lands, approve this agreement of purchase and sale (this “**Agreement**”) as a stalking horse bid to complete the sale of the Debtors' right, title and interest in the Purchased Assets (as defined herein) on the terms and conditions of this Agreement (the “**Sale Transaction**”), and approving the Expense Reimbursement (as defined herein);

FOR CONSIDERATION, the receipt and sufficiency of which is acknowledged by each of the parties, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions. In this Agreement:

- (a) “**Accounting Standards**” means at any time the accounting standards for private enterprises so described and established by the Accounting Standards Board which are applicable at such time.
- (b) “**Administration Wind-Down Amount**” means cash in the amount of \$100,000.00 to be used to satisfy the costs incurred by the Receiver and its professional advisors to complete its obligations pursuant to this Agreement, administer the GP, the Excluded Assets and Excluded Liabilities, wind down and bankrupt the GP, file any necessary tax returns, and obtain the Receiver's discharge.
- (c) “**Applicable Laws**” means the statutes, regulations, orders, judgments, decrees, rules or other lawful requirements of any Governmental Authority which are applicable to the Purchased Assets or either of the parties.
- (d) “**Assumed Liabilities**” means, except for the Excluded Liabilities, all liabilities and obligations arising from the possession, ownership and/or use of the Purchased Assets following Closing and all realty taxes, property taxes, utilities, local improvement charges, sewer and water rates, and related penalties and interest thereon with respect to the Lands, whether accrued before or after Closing.
- (e) “**Buildings**” means all building(s) and improvements located on the Lands.
- (f) “**Business Day**” means any day that is not a Saturday, Sunday, Boxing Day, Easter Monday or statutory holiday in British Columbia.
- (g) “**Business Records**” means all documents, files, records, reports, agreements, plans, specifications, drawings, surveys, correspondence, licenses and permits relating to any of the Purchased Assets, including without limitation: copies of all Contracts; copies of the Permits and Licenses; tax notices and assessments; plans and surveys of the Property; copies of all Warranties; operating statements and financial statements; environmental reports or assessments; notices or orders received from any agency having authority over the Property or the Purchased Assets; the minute book for the Nominee; and tax returns for the Nominee for each of the past six (6) years.
- (h) “**Cash Amount**” has the meaning given to it in Section 2.4(a)(ii).

- (i) **“Chattels”** means all of the personal property owned by the Debtors used in the maintenance, management, or operation of the Purchased Assets, or any part thereof.
- (j) **“Closing”** means the successful completion of the Sale Transaction.
- (k) **“Closing Date”** means that date that is thirty (30) days after the date the Court approves this Agreement and the Sale Transaction, provided that if the Land Title Office is not open on such date, the Closing Date will be the next Business Day, or any other date as may be agreed by the Receiver and Purchaser. Notwithstanding the foregoing, following approval from the Court of this Agreement and the Sale Transaction, the Purchaser and the Receiver may, in writing, agree to extend the Closing Date.
- (l) **“Closing Documents”** has the meaning given to it in Section 9.4.
- (m) **“Contracts”** means all contracts or agreements relating to the use or operation of the Property, the Purchased Assets, or any part thereof, including, without limitation, purchase and sale agreements, options to purchase, contracts relating to the operation, maintenance, cleaning, security, signage, fire protection or servicing of the Property or any part thereof made by or on behalf of the Receiver.
- (n) **“Court”** has the meaning given to it in Recital E.
- (o) **“Debtors”** has the meaning given to it in Recital B.
- (p) **“Deposit”** means the sum of \$250,000 to be paid by the Purchaser to the Receiver pursuant to Section 2.4(a) and held in accordance with the terms of Section 2.8.
- (q) **“Encumbrance”** means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing:
 - (i) any encumbrances or charges created by the Receivership Order;
 - (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system;
 - (iii) any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form;
 - (iv) any agreement, lease, license, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to or the ownership of the Purchased Assets or any part thereof or interest therein,but for the avoidance of doubt, shall not include the Permitted Encumbrances.
- (r) **“ETA”** means the *Excise Tax Act* (Canada), R.S.C., 1985, c. E-15 and any amendments and regulations thereto, including without limitation the *Input Tax Credit Information (GST/HST) Regulations*.

- (v) **“Excluded Assets”** means:
- (i) Contracts;
 - (ii) the rights of the Receiver under this Agreement;
 - (iii) all shares of capital stock or other equity interest in securities in any entity other than the Shares; and
 - (iv) any partnership interest in the LP.
- (w) **“Excluded Liabilities”** means any Liabilities of the Debtors that are not expressly assumed by the Purchaser under this Agreement including without limitation:
- (i) any liability owed to any party arising prior to the Closing Date;
 - (ii) any taxes of, or relating to, the Purchased Assets, including statutory deductions and remittances, GST, PST and sales taxes, in respect of any period prior to and including the Closing Date;
 - (iii) any Liabilities or Encumbrances in respect of any litigation involving the Debtors or the Purchased Assets commenced or threatened or resulting from any event or circumstance prior to the Closing Date;
 - (iv) any other Encumbrances made, filed, claimed, perfected or otherwise arising or resulting from any event or circumstance prior to the Closing Date;
 - (v) any Liabilities for any employees, employee agreements, executive compensation agreements, officer or director agreements, union contracts, collective agreements, employee wages, employee benefit plans, pension plans, health plans or dental plans, employee tax withholding obligations, all grievances, arbitrations, employee complaints or claims, labour relations board action, or other employee proceedings and similar obligations;
 - (vi) any Liabilities of the Companies arising prior to the Closing Date including, but not limited to, Liabilities owed to lenders, service contractors or third parties of any kind including all Liabilities under the Contracts and the Pre-Sale Agreements but not including any Liability for all realty taxes, property taxes, utilities, local improvement charges, sewer and water rates, and related penalties and interest thereon for the Lands;
 - (vii) any Liabilities relating to or arising out of the assets of the Debtors which are not being acquired by the Purchaser, including, without limitation, Liabilities for terminating, not complying with or defaulting under any Contract or Pre-Sale Agreement;
 - (viii) all Liabilities for payment of fees for operation of the Purchased Assets up to the Closing Date;
 - (ix) all Liabilities for any taxes payable by the Debtors resulting from the sale of the Purchased Assets;
 - (x) the Liabilities of the Nominee under or within the receivership proceedings;

- (xi) any Liabilities for a breach or non-compliance with any applicable law by the Debtors prior to the Closing Date;
 - (xii) the Liabilities of the Nominee under this Agreement; and
 - (xiii) any other assets, property or obligations which pursuant to the terms and conditions of this Agreement, remain the property of the Debtors after the completion of the transactions contemplated herein including, without limitation, the rights of the Receiver under this Agreement.
- (x) **“Execution Date”** means the date that this Agreement is executed by the Receiver.
- (y) **“Expense Reimbursement”** means payment of the Purchaser’s expenses up to \$200,000.00, if this Agreement is terminated as a result of the Receiver selecting another bid as the Successful Bidder (if this Agreement is not the Backup Bid) or upon closing of a transaction with another bidder (if the Stalking Horse APS is the Backup Bidder) in the Sales Process as defined herein, which shall be paid after closing.
- (z) **“Governmental Authority”** means (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise), (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government, (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions, and (iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.
- (aa) **“GP”** has the meaning given to it in Recital B.
- (aa) **“GST”** means all goods and services tax and, if applicable, harmonized sales tax imposed under the ETA.
- (bb) **“GST Certificate”** has the meaning given to it in Section 10.2.
- (cc) **“Interim Period”** means the period commencing on the Execution Date until and including the Closing Date.
- (dd) **“Lands”** has the meaning given to it in Recital A.
- (ee) **“Liability”** means any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, tax, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed, including without limiting the generality of the foregoing all taxes and other amounts that could be assessed in respect of section 160 or section 160.01 of the (Canada), section 266 or section 325 of the ETA, or any equivalent legislation in any jurisdiction (including provincial legislation).
- (ff) **“LP”** has the meaning given to it in Recital A.

- (gg) **“Mutual Condition”** has the meaning given to it in Section 8.3.
- (hh) **“Nominee”** has the meaning given to it in Recital A.
- (ii) **“Non-Assignable Interests”** means any Purchased Assets which, by their nature cannot be legally or practically sold or assigned by the Receiver to the Purchaser hereunder.
- (jj) **“Permits and Licenses”** means all licenses, approvals, permits, consents or other rights entered into or obtained by the Debtors from any Governmental Authority, and used in connection with any of the Purchased Assets.
- (kk) **“Permitted Encumbrances”** means the encumbrances set out in Part 2 of Schedule A.
- (ll) **“Portage”** has the meaning given to it in Recital D.
- (nn) **“PCP Mortgage Debt”** has the meaning given to it in Recital C.
- (oo) **“Priority Claims”** has the meaning given to it in Section 2.3(a).
- (pp) **“Property”** means all assets, undertakings, and property of the Debtor’s, including the Lands and the Buildings thereon.
- (qq) **“Provincial Sales Tax Act”** means the *Provincial Sales Tax Act* (British Columbia) and any amendments and regulations thereto.
- (rr) **“PST”** means all provincial sales tax imposed pursuant to the Provincial Sales Tax Act or any equivalent or corresponding provincial or territorial legislation imposing a similar tax that may apply in respect of the transactions contemplated by this Agreement.
- (ss) **“Purchase Price”** means the amount calculated in accordance with Section 2.3.
- (tt) **“Purchased Assets”** means all of the Debtors' right, title and interest in and to:
 - (i) the Shares; and
 - (ii) the Business Records;
 - (iii) the Chattels;
 - (iv) the Permits and Licenses;
 - (v) the Property;
 - (vi) corporate income taxes refunds and GST refunds, if any;
 - (vii) cash and cash equivalents;
 - (viii) tenancy agreements pertaining to the Lands; and
 - (ix) any proceedings, claims or causes of action for the benefit of the Debtors.
- (uu) **“Purchaser's Condition”** has the meaning given to it in Section 8.1.

- (vv) “**Purchaser's Solicitors**” means McQuarrie Hunter LLP, or such other firm of solicitors or agents as are retained by the Purchaser from time to time and written notice of which is provided to the Receiver.
- (ww) “**Receiver's Charge**” has the meaning given to it in the Receivership Order.
- (xx) “**Receiver's Condition**” has the meaning given to it in Section 8.2.
- (yy) “**Receiver's Solicitors**” means Bennet Jones LLP, or such other firm of solicitors or agents as are retained by the Receiver from time to time and written notice of which is provided to the Purchaser.
- (zz) “**Receivership Order**” has the meaning given to it in Recital E.
- (aaa) “**Sale Transaction**” has the meaning set out in Recital E.
- (bbb) “**Shares**” means all of the issued and outstanding shares in the capital of the Nominee.
- (ccc) “**Transfer Tax**” means all applicable taxes payable upon or in connection with the Sale Transaction, including land transfer tax, GST and PST, and any filing fees, registration fees, recording transfer fees, or other fees and expenses payable in connection with the transfer of the Purchased Assets, the registration of the Sales Process Order, or the registration of other instruments of transfer provided for in this Agreement but excluding any income taxes payable by the Debtors as a result of the Sale Transaction.
- (ddd) “**Sales Process Order**” means an Order, or Orders, of the Court in the Action:
- (i) approving the sales process for the marketing and sale of the Property, including the Lands, (the “**Sales Process**”);
 - (ii) approving this Agreement to serve as the “stalking horse bid” pursuant to the Sales Process; and
 - (iii) approving the Expense Reimbursement and authorizing the Receiver to pay the Expense Reimbursement to the Purchaser in the manner and in the circumstances described in this Agreement;
- (eee) “**Reverse Vesting Order**” means an Order, or Orders, of the Court in the Action:
- (i) approving the sale of the Purchased Assets to the Purchaser on the terms of this Agreement;
 - (ii) vesting, transferring and assigning all of the Excluded Assets and Liabilities of the Nominee to the GP;
 - (iii) on completion of the Sale Transaction under this Agreement, vesting title to the Purchased Assets (including, without limitation, the Shares) in and to the Purchaser, free and clear of all Encumbrances except the Permitted Encumbrances;
 - (iv) provide for vesting off title to the Purchased Assets all Encumbrances other than Permitted Encumbrances, upon the delivery of the Receiver's Certificate (as defined in the Sales Process Order) to the Purchaser;

- (v) removing the Nominee from the receivership proceedings and releasing it from the purview of all orders of the Court granted in respect of the receivership proceedings, save and except for the Sales Process Order;
- (vi) releasing the Purchaser, the Nominee and the Purchased Assets from any and all claims arising from or in respect of: (A) any or all claims or Encumbrances and the Excluded Liabilities against or relating to any of the Nominee or the Purchased Assets existing immediately prior to the Closing Date; (B) the insolvency of the Nominee prior to the Closing Date; (C) the commencement or existence of the receivership proceedings; or (D) the completion of the Sale Transaction; and
- (vii) authorizing the Receiver to assign the GP into bankruptcy.

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement of Purchase and Sale. Subject to the terms and conditions of this Agreement and based on the representations and warranties contained in this Agreement, the Receiver agrees to sell and the Purchaser agrees to purchase the Purchased Assets for the Purchase Price on the Closing Date free and clear of all Excluded Liabilities and Encumbrances, except for the Permitted Encumbrances. For avoidance of doubt, the Purchaser will not assume any liability in respect of the Excluded Liabilities.

2.2 As Is, Where Is. The Purchaser is purchasing the Purchased Assets “as is, where is” as of the Closing Date, without any representations or warranties whatsoever. Neither the Receiver, nor anyone on its behalf, represents or warrants the condition or state of repair of any of the Purchased Assets. The Purchaser must satisfy itself, and accept the Purchased Assets on a strictly “as is” basis on the terms of this Agreement.

2.3 Purchase Price. The Purchase Price to be paid by the Purchaser to the Receiver in consideration of the purchase and sale of the Purchased Assets in accordance with this Agreement will be:

(a) the amount sufficient to pay for all amounts owing in respect of any claim against the Debtors which ranks in priority to the claims of the Purchaser (the “**Priority Claims**”), including without limitation:

(i) all amounts secured under the Receiver’s Charge; and

(ii) the Administration Wind-Down Amount;

PLUS

(b) the outstanding balance of the Portage Loan; and

(c) the outstanding balance of the PCP Mortgage Debt;

but which excludes the Excluded Liabilities.

2.4 Payment of Purchase Price

(a) The Purchase Price will be payable as follows:

(i) by payment of the Deposit by way of certified cheque, bank draft or wire transfer, payable to the Receiver’s Solicitors, in trust, within five (5) Business Days of

execution of this Agreement, which Deposit will be held in accordance with Section 2.8; and

- (ii) provided that the Purchaser's Condition and Mutual Conditions have been satisfied or waived in accordance with Sections 8.1 and 8.2, the balance of the Purchase Price payable by the Purchaser by paying cash on Closing (the "**Cash Amount**"), which when added to the Deposit, is sufficient to pay all Priority Claims and the outstanding balance of the Portage Loan in full as of the Closing Date, with the remaining balance of the Purchase Price to be paid by setting-off the outstanding balance of the PCP Mortgage Debt.
- (b) The Receiver and the Purchaser agree that there will be no adjustments to the Purchase Price for any expenses and liabilities or revenues accrued in respect of the Purchased Assets, with the exception of deposits and accrued statutory interest held by the Debtors in respect of the tenancies within the Lands. For certainty, the Receiver and the Purchaser agree that there will be no adjustments for realty taxes, utilities, local improvement charges, sewer and water rates and the Purchaser will assume any arrears of any such amounts owing with respect to the Property.
- (c) The Cash Amount payable at the Closing Date shall be paid by wire transfer of immediately available funds to the Receiver's Solicitors in trust.
- (d) For certainty, if the Deposit and the Administration Wind-Down Amount are in excess of the amount required to pay all Priority Claims, the Receiver will refund any excess to the Purchaser promptly following the Receiver's discharge.

2.5 Assumed Liabilities. Provided that Closing occurs, the Purchaser agrees to assume, pay, discharge, perform and fulfill the Assumed Liabilities from and after the Closing Date.

2.6 Allocation of Purchase Price. The parties agree to use reasonable efforts to agree prior to the Closing Date on an allocation of the Purchase Price among the components of the Purchased Assets. However, the parties further agree that failure to agree on such an allocation prior to the Closing Date will not render this Agreement unenforceable or result in a termination of this Agreement, and in such case each of the Receiver and the Purchaser will make its own determination of allocation. Notwithstanding the foregoing, the Receiver and the Purchaser agree that \$1.00 of the Purchase Price will be allocated to the Shares.

2.7 Bidding Procedures. The Receiver and the Purchaser acknowledge that this Agreement and the transactions contemplated hereby are subject to Court approval and subject to the Sales Process. The Purchaser acknowledges and agrees that, notwithstanding acceptance of this offer by the Receiver, other prospective purchasers may participate in the Sales Process, and the Receiver may be compelled to advocate that the Court consider other offers made in the Sales Process.

2.8 Deposit. The Deposit will be held by the Receiver's Solicitors in trust. The deposit will be dealt with as follows:

- (a) on the Closing Date, the Deposit will be credited on account of the Purchase Price; or
- (b) if after the Purchaser's Condition in Section 8.1 and the Mutual Condition in Section 8.3 herein are satisfied or waived, the Purchaser fails to complete the purchase of the Purchased Assets in accordance with this Agreement or if the Purchaser repudiates this Agreement, then the Deposit will be forfeited to the Receiver, as liquidated damages, as the Receiver's sole and exclusive remedy for the Purchaser's failure to complete the Sale Transaction; or

- (c) if the Purchaser's Condition in Section 8.1 or the Mutual Condition in Section 8.3 herein are not satisfied or waived within the applicable time periods contemplated in Sections 8.1 and 8.3, the Deposit will be returned to the Purchaser forthwith without any deduction; or
- (d) if after the Purchaser's Condition section 8.1 and the Mutual Condition in section 8.3 herein are satisfied or waived, and if the Purchaser is not in default of any of its obligations under this Agreement and the Receiver fails to complete the sale of the Purchased Assets in accordance with this Agreement or if the Receiver repudiates this Agreement, then the Deposit will be returned to the Purchaser upon demand by the Purchaser on or after the Closing Date, without prejudice to any other rights or remedies of the Purchaser whether at law or equity.

ARTICLE 3 DOCUMENTS AND INSPECTION

- 3.1 Business Documents.** To the extent the Receiver receives any Business Records (other than from the Purchaser), the Receiver will provide copies of same to the Purchaser without any representations or warranties in respect thereof. The Receiver covenants that it will request the minute book and BC Online password of the Nominee from the registered and records office.
- 3.2 Inspection.** The Purchaser and its advisors will be entitled upon reasonable notice to the Receiver and in accordance with the Receiver reasonable requirements as to security to enter the Property and carry out tests and inspections of the Purchased Assets, provided that such access for such purposes will be at reasonable times scheduled by the Receiver at the Purchaser's request and, at the option of the Receiver, subject to the Receiver's supervision. The Purchaser will be responsible for and indemnify the Receiver for all costs, injuries or damages to the Purchased Assets, or to the Receiver, its agents or employees, arising out of such entry by the Purchaser and such indemnity will survive the completion of the transactions contemplated herein or earlier termination of this Agreement.
- 3.3 Authorization.** The Receiver hereby authorizes the Purchaser and its agents, consultants and advisors to meet with or correspond with appropriate statutory or governmental authorities having jurisdiction over the Purchased Assets or the Receiver for the purposes of this transaction, including but not limited to inquiries with respect to compliance with laws, by laws, regulations and assessments. The Receiver will promptly, at the Purchaser's request, execute and deliver any authorizations reasonably required by the Purchaser to authorize the statutory or governmental authorities to release information to the Purchaser, provided such authorizations explicitly do not authorize or request any inspections with respect to the Property.

ARTICLE 4 GENERAL COVENANTS

- 4.1 Covenants of the Receiver.** After approval of the Sales Order in the Action, the Receiver:
 - (a) will not enter into any commitment, agreement or Contract with respect to the Purchased Assets, any agreement to lease, offer to lease or lease the Purchased Assets or modify any material terms or terminate any of the Contracts, Permitted Encumbrances, Permits and Licenses or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets without the prior written consent of the Purchaser, which the Purchaser may withhold in its sole discretion;
 - (b) will keep the Purchaser apprised of any material damage to the Property;

- (c) will promptly notify the Purchaser if the Receiver becomes aware that, after the date of this Agreement, or if any covenants, terms or conditions in this Agreement are breached or cannot be performed;
- (d) will use commercially reasonable efforts after the date the Sales Process Order is pronounced by the Court, to provide the Purchaser with copies of all tenancy agreements entered into in respect of the Lands, and a summary of all deposits provided by tenants to the Debtors, or any of them; and
- (e) will promptly forward to the Purchaser any search results from government offices which are directed to the Receiver in response to any due diligence inquiries made by or at the request of the Purchaser.

ARTICLE 5 RISK

- 5.1 Risk.** The Purchased Assets will be at the risk of the Receiver until completion of closing on the Closing Date and thereafter at the risk of the Purchaser.

ARTICLE 6 POSSESSION

- 6.1 Possession Date.** The Purchaser will, upon completion of the purchase and sale have possession of the Property and all Purchased Assets as of the Closing Date free and clear of all Encumbrances subject only to Permitted Encumbrances.
- 6.2 Non-Assignable Assets.** If any of the Purchased Assets are Non-Assignable Assets, the inability or failure of the Receiver to transfer or assign such Non-Assignable Assets will not constitute a default of the Receiver nor will it entitle the Purchaser to terminate this Agreement or reduce the Purchase Price. The Receiver shall provide commercially reasonable assistance to the Purchaser up to the Closing Date in any efforts the Purchaser may take to obtain consent to the transfer of a Non-Assignable Asset or an equivalent Non-Assignable Asset. For certainty, any failure of the Purchaser in those efforts will not constitute a default of the Receiver nor will it entitle the Purchaser to terminate this Agreement or reduce the Purchase Price.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

- 7.1 Purchaser's Representations and Warranties.** The Purchaser represents and warrants to the Receiver, regardless of any independent investigation that the Receiver may cause to be made that:
- (a) the Purchaser is a corporation incorporated in Ontario and extra provincially registered under the laws of British Columbia;
 - (b) the Purchaser has the corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;
 - (c) neither the Purchaser's entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject or any Applicable Laws; and
 - (d) the Purchaser is not a non-resident for the purposes of the *Income Tax Act* (Canada).

ARTICLE 8 CONDITIONS PRECEDENT

8.1 Closing Condition Precedent in favour of the Purchaser. The obligation of the Purchaser to Complete the Sale Transaction is subject to following condition (the “**Purchaser's Condition**”)

- (a) the Receiver having performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Date, including the delivery of each of the items required pursuant to Section 9.2.

The Purchaser’s Condition is for the exclusive benefit of the Purchaser. The Purchaser's Condition in this Section 8.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

8.2 Closing Condition Precedent in favour of the Receiver. The obligation of the Receiver to complete the Sale Transaction is subject to the following conditions (the “**Receiver's Conditions**”):

- (a) the Purchaser having performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Date, including payment of the Purchase Price and the delivery of each of the items required pursuant to Section 9.3; and
- (b) the Receiver will have obtained a legal opinion from the Receiver’s Solicitors confirming that the PCP Mortgage Security, the PCP PPR Security, and the security interests registered by Portage to secure the Portage Loan are valid and properly registered, which legal opinion will be acceptable to the Receiver in its sole discretion.

The Receiver’s Conditions are for the exclusive benefit of the Receiver. The Receiver's Conditions in this Section 8.2 may be waived by the Receiver in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Receiver only if made in writing.

8.3 Mutual Condition. The obligation of the parties to complete the transactions contemplated by this Agreement will be subject to the following mutual condition (the “**Mutual Condition**”), for the benefit of both the Receiver and the Purchaser:

- (a) that as of the Closing Date, neither the Receivership Order nor the Sales Process Order have been set aside or stayed.

The Mutual Condition is for the mutual benefit of the Receiver and the Purchaser and may not be waived unilaterally by either party. If the Mutual Condition has not been satisfied or mutually waived by the applicable deadline provided for in this Section 8.3 then the Purchaser's and Receiver obligation to complete the Sale Transaction pursuant to this Agreement will be an end.

ARTICLE 9 CLOSING

9.1 Closing. The closing of the Sale Transaction will occur on the Closing Date.

9.2 Receiver Closing Documents. On or before the Closing Date, the Receiver will deliver, or cause the Receiver’s Solicitors to deliver, to the Purchaser’s Solicitors in trust to be held in escrow as provided in this Agreement, the following documents duly executed as applicable and all in a form satisfactory to the Purchaser, acting reasonably:

- (a) Court certified copy of the Reverse Vesting Order and any other Orders of the Court as are necessary, all in a form registrable in all necessary offices required to effect the transfer of the Purchased Assets to the Purchaser;
- (b) a letter from the Receiver's Solicitors to the Land Title Survey Authority or other agency as may be required by the Sales Process Order;
- (c) an assignment and assumption of the Debtors' right, title and interest in and to those of the Permits and Licenses which are not Non-Assignable Assets wherein the Purchaser assumes the rights and obligations under the applicable Permits and Licenses as of the Closing Date and the Purchaser indemnifies the Receiver for all Liability under the applicable Permits and Licenses arising after the completion of the Sale Transaction and the Receiver retains all Liability under the applicable Permits and Licenses arising prior to the Closing Date (the "**Permits and Licenses Assignment**");
- (d) an assignment and assumption of the Permitted Encumbrances (the "**Permitted Encumbrances Assignment**");
- (e) a general conveyance conveying the Debtors' right, title and interest in and to the Chattels, the Business Records, any corporate income tax refunds and GST refunds, cash and cash equivalents and any proceedings, claims or causes of action for the benefit of the Debtors to the Purchaser;
- (f) a certificate dated as of the Closing Date of the Receiver having knowledge of the facts certifying that the Receiver covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects;
- (g) all corporate records and account books of the Nominee that are in the possession or control of the Receiver;
- (h) the BC Online password for the Nominee, provided it is in the possession or control of the Receiver (the Receiver, prior to the Closing Date, having requested same from the Debtors' registered and records office)
- (i) an assignment and assumption agreement in respect of the leases pertaining to the Lands (the "**Assignment of Leases**"); and
- (j) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

9.3 Purchaser's Closing Documents. In addition to payment of the Purchase Price, on or before the Closing Date, the Purchaser will deliver, or cause the Purchaser's Solicitors to deliver, to the Receiver's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable:

- (a) the Permits and Licenses Assignment;
- (b) the Permitted Encumbrances Assignment;
- (c) the GST Certificate;
- (d) a certificate dated as of the Closing Date of a senior officer of the Purchaser having knowledge of the facts certifying, on behalf of the Purchaser and without personal liability,

that the representations and warranties set out in Section 7.1 are true and correct in all material respects as at the Closing Date and that the Purchaser's covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects

- (e) Assignment of Leases; and
- (f) such other documents and assurances as may be reasonably required by the Receiver to give full effect to the intent and meaning of this Agreement.

9.4 Preparation and Form of Documents. The closing documents contemplated in Sections 9.2 and 9.3, other than the Reverse Vesting Order, (collectively, the “**Closing Documents**”), will be prepared by the Purchaser's Solicitors and delivered to the Receiver's Solicitors at least five Business Days before the Closing Date. The Closing Documents (including the Sales Process Order) will be in a form and substance reasonably satisfactory to the parties and their respective solicitors. The Receiver will use commercially reasonable efforts to provide the Purchaser with drafts of all material to be filed with the Court within three (3) Business Days prior to the date of any hearing of the Court regarding the Sales Process Order or such other date as may be agreed to by the parties.

9.5 Payment into Trust. On or before the Closing Date, the Purchaser will pay to the Receiver's Solicitors in trust, by way of wire transfer, the Cash Amount.

9.6 Closing Procedure. All Closing Documents, funds, and other items delivered by the parties will be held in trust by the Receiver's Solicitors and the Purchaser's Solicitors until completion of closing on the Closing Date in accordance with this Agreement (except that the Reverse Vesting Order may be submitted for registration in accordance with this Section). Forthwith following the payment set forth in Section 9.5 and after receipt by the Purchaser's Solicitors of the documents and items referred to in Section 9.1 the Purchaser will cause the Purchaser's Solicitors to file the Reverse Vesting Order for the purpose of discharging any Encumbrances which are not Permitted Encumbrances (together with such other documents as are required to be filed) in the Land Title Office. Upon the Purchaser's Solicitors obtaining a post application title search of the Lands which indicates that in normal Land Title Office routine, title to the Lands will remain registered in the name of the Nominee subject only to the Permitted Encumbrances and any documents filed by the Purchaser, and the state of title is in accordance with the terms and conditions of this Agreement.

9.7 Concurrent Requirements. It is a condition of Closing that all matters of payment, execution and delivery of documents by each party to the other pursuant to the terms of this Agreement will be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the closing until everything required as a condition precedent at the closing has been paid, executed and delivered.

9.8 Delivery of Business Records. The Receiver will present at Closing and, on release of escrow, after completion of the Sale Transaction, will deliver originally executed copies of the Business Records, if in possession or control of the Receiver (if any), to the Purchaser, to the extent not previously delivered.

9.9 Termination. Notwithstanding any other provision of this Agreement:

- (a) nothing herein shall prohibit the Receiver, in its sole, absolute, and unfettered discretion, from seeking to be discharged as the receiver of the Debtors at any time after the Closing and the Parties hereby acknowledge and agree that the covenants and obligations of the

Receiver contained in this Agreement shall terminate concurrently with the discharge of the Receiver of the Debtors;

- (b) if the transactions contemplated by this Agreement do not complete on or prior to the day that is one (1) year after the Execution Date other than as a result of the default of the Purchaser, then the Purchaser may, in its sole discretion, terminate this Agreement with written notice delivered to the Receiver without any further liability;
- (c) this Agreement will automatically terminate upon the completion of the transactions contemplated herein, upon which, all of the representations, warranties and covenants contained herein will merge and there will be no survival of any representation, warranties or covenants contained in this Agreement except for pursuant to Sections 2.5 and 11.7; and
- (d) the Receiver may terminate this Agreement at any time prior to receipt of the Reverse Vesting Order if the Receiver determines it is inadvisable to present this Agreement to the Court for any reason whatsoever, including, without limitation, the Receiver determining the Purchaser is not the Successful Bidder in the Sales Process or the conditions to this Agreement are not otherwise satisfied, and in any such event the Receiver shall have no further obligations or liability to the Purchaser under this Agreement or otherwise except for pursuant to Sections 2.8 and 11.7 and subject to the Expense Reimbursement.

ARTICLE 10 TAXES

- 10.1 Transfer Tax.** All amounts payable under this Agreement are exclusive of any applicable Transfer Tax. The Purchaser shall be liable to pay any applicable Transfer Tax to the Receiver at the Closing or directly to the applicable Authority as required under applicable Law.
- 10.2 GST.** If the Purchaser, or any person to whom the Purchaser has assigned the Purchaser's rights and obligations under this agreement in accordance with Section 11.12 (the "**Assignee**") delivers to the Receiver a certificate on closing (the "**GST Certificate**") of the Purchaser or, if applicable, a senior officer of the Assignee, certifying, on behalf of the Purchaser or, if applicable, such Assignee, and without personal liability, that the Purchaser or such Assignee undertakes, covenants and agrees:
- (a) that the Purchaser or, if applicable, the Assignee, is registered for the purposes of the ETA in accordance with the requirements of Subdivision D of Division V and including the registration number assigned to the Purchaser or, if applicable, to the Assignee;
 - (b) that the Purchaser or, if applicable, any such Assignee is liable under the ETA for all applicable GST payable under the ETA, will self-assess and remit directly to the appropriate governmental authority all such GST payable in respect of any Purchased Assets that constitute a supply of real property for the purposes of the ETA, and will file the prescribed forms required by the ETA in connection with the conveyance of the Purchased Assets to the Purchaser or, if applicable, the Assignee, all in accordance with the ETA;
 - (c) to indemnify and hold the Receiver and its directors, officers, employees, advisors and agents harmless from and against any and all GST, penalties, and/or interest in connection with the transfer of the Property which may become payable by or assessed against any such party as a result of any breach of this Section 10.2, the failure by the Purchaser or, if applicable, the Assignee, to comply with the provisions of the GST Certificate or any declaration made therein and such indemnity will survive the completion of the transactions contemplated herein; and

- (d) that the Receiver is relying upon the accuracy of the GST Certificate in not collecting GST on Closing with respect to any Purchased Assets that constitute a supply of real property for GST purposes, and in allowing Purchaser or, if applicable, the Assignee, to self-assess and remit such GST, if payable, to the appropriate governmental authority in accordance with the ETA;

then the Purchaser or, if applicable, the Assignee, shall not be required to pay to the Receiver, nor shall the Receiver be required to collect from the Purchaser or, if applicable, such Assignee, GST with respect to the purchase of the Purchased Assets that constitute a supply of real property for the purposes of the ETA. If the Purchaser, or, if applicable, such Assignee, fails to deliver such GST Certificate, then the Purchaser, or, if applicable, such Assignee, shall pay to the Receiver GST with respect to all Purchased Assets in addition to the Purchase Price.

ARTICLE 11 - GENERAL

- 11.1 Further Assurances.** Each of the parties will execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.
- 11.2 No Merger.** The execution and delivery of the Closing Documents is not intended to and will not in any way merge or otherwise restrict the terms, covenants, conditions, representations, warranties or provisions made or to be performed or observed by the parties contained in this Agreement other than the obligation to deliver the Closing Documents.
- 11.3 Entire Agreement.** This Agreement constitutes the entire agreement between the Receiver and the Purchaser pertaining to the purchase and sale of the Purchased Assets and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Receiver and the Purchaser and there are no representations, warranties, covenants or agreements between the Receiver and the Purchaser except as set out in this Agreement.
- 11.4 Amendment.** Subject to Section 11.5, this Agreement may only be altered or amended by an agreement in writing executed by all of the parties.
- 11.5 Solicitors as Agents.** Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors, on behalf of the Purchaser, and by the Receiver's Solicitors, on behalf of the Receiver, and any tender of Closing Documents and the Purchase Price may be made upon the Receiver's Solicitors and the Purchaser's Solicitors, as the case may be.
- 11.6 Notices.** Any notice, document or communication required or permitted to be given under this Agreement will be in writing and delivered by hand or electronic transmission as follows:

- (a) if to the Purchaser:

Price Capital Partners Inc.
100 Canadian Road
Toronto, ON M1R 4Z5

Attention: Mike Foy
E-mail: mfoy@storagecapital.ca

with a copy to the Purchaser's Solicitor:

McQuarrie Hunter LLP
Suite 1500 – 13450 102 Avenue
Surrey, BC V3T 5X3

Attention: Christopher J. Bettencourt & Dan A. T. Moseley
E-mail: cbettencourt@mcquarrie.com; dmoseley@mcquarrie.com

(b) if to the Receiver:

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

Attention: Noah Goldstein, Ross Graham & Isaiah Crystal
E-mail: ngoldstein@ksvadvisory.com; rgraham@ksvadvisory.com;
icrystal@ksvadvisory.com

with a further copy to the Receiver's Solicitors:

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

Attention: Sean Zweig & Andrew Froh
Email: zweigs@bennettjones.com; froha@bennettjones.com

or to such other address in Canada as either party may in writing advise. Any notice, document or communication will be deemed to have been given on the Business Day when delivered by hand if delivered prior to 5 p.m. (Vancouver time), otherwise will be deemed to be delivered and received on the next Business Day; or, if made by email, will be deemed to have been given on the Business Day when transmitted if it is so transmitted prior to 5 p.m. (Vancouver time) on the day of transmittal, otherwise will be deemed to be given and received on the next Business Day.

- 11.7 Fees.** Each of the parties will pay its own legal fees and fees of its consultants.
- 11.8 Accounting Terms.** Accounting terms used herein and not expressly defined will be deemed to have such meanings as may apply on the application of the Accounting Standards.
- 11.9 Time.** Time is of the essence of this Agreement.
- 11.10 Tender.** Unless otherwise set out herein, any tender of documents or money may be made upon the party being tendered or upon its solicitors and money will be tendered by certified cheque, bank draft, or wire transfer.
- 11.11 Enurement.** This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.
- 11.12 Assignment.** Until the Business Day before the date the application for the Sales Process Order is filed, the Purchaser will be entitled to assign its rights and obligations under this Agreement without the

consent of the Receiver if: (i) the Purchaser delivers written notice of such assignment to the Receiver; (ii) the assignee enters into an agreement pursuant to which the assignee agrees to be bound by all of the obligations and Liability of the Purchaser under this Agreement as if it was the original Purchaser, which obligations and Liability will include the assignment of the PCP Mortgage Debt to the assignee in order to give effect to section 2.4(a)(ii) of this Agreement; and (iii) the Purchaser is not released from its obligations and Liability under this Agreement until all obligations of the Purchaser pursuant to this Agreement have been performed, at which time the assignor will be automatically released from all of its obligations and Liability under this Agreement without the need for any further deliveries or instruments of release.

- 11.13 Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in it.
- 11.14 Waiver.** No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision nor will any waiver constitute a continuing waiver unless otherwise expressed or provided.
- 11.15 Currency.** All dollar amounts referred to are Canadian dollars.
- 11.16 Construction.** The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.
- 11.17 Counterparts and Execution.** This Agreement may be executed in counterparts and delivered by electronic transmission including by PDF format, and each such counterpart will constitute an original and all such counterparts together will constitute one and the same agreement.
- 11.18 Schedules.** The following schedule is attached to and forms a part of this Agreement:
- (i) Schedule A - Legal Description and Permitted Encumbrances.

[Signature page follows]

The parties are signing this Agreement as of the date set out above.

KSV RESTRUCTURING INC., solely in its capacity as Receiver of the assets, undertakings and property of **12744877 B.C. LTD.**, **KINNAIRD KONVERSION LIMITED PARTNERSHIP AND KINNAIRD KONVERSION GP INC.** and not in its personal capacity



By: _____
Text Name: Noah Goldstein
Title: Managing Director

PRICE CAPITAL PARTNERS INC.



By: _____
Name: **Michael Foy**
Title: Authorized Signatory

**SCHEDULE A
LEGAL DESCRIPTION AND PERMITTED ENCUMBRANCES**

Legal Description of Lands

65 FIRST STREET, NEW WESTMINSTER, BRITISH COLUMBIA

Unit	Strata Lot	Legal Description
#218	1	PID: 000-812-277, Strata Lot 1 Block 19 New Westminster District Strata Plan NW2195
#219	2	PID: 000-813-460, Strata Lot 2 Block 19 New Westminster District Strata Plan NW2195
#220	3	PID: 000-813-478, Strata Lot 3 Block 19 New Westminster District Strata Plan NW2195
#221	4	PID: 000-813-494, Strata Lot 4 Block 19 New Westminster District Strata Plan NW2195
#217	5	PID: 000-813-508, Strata Lot 5 Block 19 New Westminster District Strata Plan NW2195
#314	6	PID: 000-813-516, Strata Lot 6 Block 19 New Westminster District Strata Plan NW2195
#316	7	PID: 000-813-532, Strata Lot 7 Block 19 New Westminster District Strata Plan NW2195
#318	8	PID: 000-813-541, Strata Lot 8 Block 19 New Westminster District Strata Plan NW2195
#319	9	PID: 000-813-559, Strata Lot 9 Block 19 New Westminster District Strata Plan NW2195
#320	10	PID: 000-813-567, Strata Lot 10 Block 19 New Westminster District Strata Plan NW2195
#321	11	PID: 000-813-583, Strata Lot 11 Block 19 New Westminster District Strata Plan NW2195
#317	12	PID: 000-813-591, Strata Lot 12 Block 19 New Westminster District Strata Plan NW2195
#315	13	PID: 000-813-605, Strata Lot 13 Block 19 New Westminster District Strata Plan NW2195
#313	14	PID: 000-813-613, Strata Lot 14 Block 19 New Westminster District Strata Plan NW2195
#410	15	PID: 000-813-621, Strata Lot 15 Block 19 New Westminster District Strata Plan NW2195
#412	16	PID: 000-813-630, Strata Lot 16 Block 19 New Westminster District Strata Plan NW2195
#414	17	PID: 000-813-656, Strata Lot 17 Block 19 New Westminster District Strata Plan NW2195
#416	18	PID: 000-813-664, Strata Lot 18 Block 19 New Westminster District Strata Plan NW2195
#418	19	PID: 000-813-672, Strata Lot 19 Block 19 New Westminster District Strata Plan NW2195
#419	20	PID: 000-813-681, Strata Lot 20 Block 19 New Westminster District Strata Plan NW2195
#420	21	PID: 000-813-699, Strata Lot 21 Block 19 New Westminster District Strata Plan NW2195
#417	22	PID: 000-813-702, Strata Lot 22 Block 19 New Westminster District Strata Plan NW2195
#415	23	PID: 000-813-711, Strata Lot 23 Block 19 New Westminster District Strata Plan NW2195
#413	24	PID: 000-813-729, Strata Lot 24 Block 19 New Westminster District Strata Plan NW2195
#411	25	PID: 000-813-737, Strata Lot 25 Block 19 New Westminster District Strata Plan NW2195
#409	26	PID: 000-813-745, Strata Lot 26 Block 19 New Westminster District Strata Plan NW2195
#408	27	PID: 000-813-753, Strata Lot 27 Block 19 New Westminster District Strata Plan NW2195
#407	28	PID: 000-813-761, Strata Lot 28 Block 19 New Westminster District Strata Plan NW2195
#506	29	PID: 000-813-770, Strata Lot 29 Block 19 New Westminster District Strata Plan NW2195
#501	30	PID: 000-813-796, Strata Lot 30 Block 19 New Westminster District Strata Plan NW2195
#502	31	PID: 000-813-800, Strata Lot 31 Block 19 New Westminster District Strata Plan NW2195
#503	32	PID: 000-813-826, Strata Lot 32 Block 19 New Westminster District Strata Plan NW2195
#504	33	PID: 000-813-834, Strata Lot 33 Block 19 New Westminster District Strata Plan NW2195
#505	34	PID: 000-813-842, Strata Lot 34 Block 19 New Westminster District Strata Plan NW2195
#510	35	PID: 000-813-851, Strata Lot 35 Block 19 New Westminster District Strata Plan NW2195
#512	36	PID: 000-813-869, Strata Lot 36 Block 19 New Westminster District Strata Plan NW2195
#514	37	PID: 000-813-877, Strata Lot 37 Block 19 New Westminster District Strata Plan NW2195
#516	38	PID: 000-813-893, Strata Lot 38 Block 19 New Westminster District Strata Plan NW2195

#515	39	PID: 000-813-923, Strata Lot 39 Block 19 New Westminster District Strata Plan NW2195
#513	40	PID: 000-813-931, Strata Lot 40 Block 19 New Westminster District Strata Plan NW2195
#511	41	PID: 000-813-940, Strata Lot 41 Block 19 New Westminster District Strata Plan NW2195
#508	42	PID: 000-813-958, Strata Lot 42 Block 19 New Westminster District Strata Plan NW2195
#507	43	PID: 000-813-966, Strata Lot 43 Block 19 New Westminster District Strata Plan NW2195
#606	44	PID: 000-813-974, Strata Lot 44 Block 19 New Westminster District Strata Plan NW2195
#601	45	PID: 000-813-982, Strata Lot 45 Block 19 New Westminster District Strata Plan NW2195
#602	46	PID: 000-814-016, Strata Lot 46 Block 19 New Westminster District Strata Plan NW2195
#603	47	PID: 000-814-024, Strata Lot 47 Block 19 New Westminster District Strata Plan NW2195
#604	48	PID: 000-814-032, Strata Lot 48 Block 19 New Westminster District Strata Plan NW2195
#605	49	PID: 000-814-041, Strata Lot 49 Block 19 New Westminster District Strata Plan NW2195
#610	50	PID: 000-814-059, Strata Lot 50 Block 19 New Westminster District Strata Plan NW2195
#612	51	PID: 000-814-075, Strata Lot 51 Block 19 New Westminster District Strata Plan NW2195
#611	52	PID: 000-814-083, Strata Lot 52 Block 19 New Westminster District Strata Plan NW2195
#609	53	PID: 000-814-113, Strata Lot 53 Block 19 New Westminster District Strata Plan NW2195
#608	54	PID: 000-814-121, Strata Lot 54 Block 19 New Westminster District Strata Plan NW2195
#607	55	PID: 000-814-130, Strata Lot 55 Block 19 New Westminster District Strata Plan NW2195
#706	56	PID: 000-814-148, Strata Lot 56 Block 19 New Westminster District Strata Plan NW2195
#701	57	PID: 000-814-156, Strata Lot 57 Block 19 New Westminster District Strata Plan NW2195
#702	58	PID: 000-814-164, Strata Lot 58 Block 19 New Westminster District Strata Plan NW2195
#703	59	PID: 000-814-172, Strata Lot 59 Block 19 New Westminster District Strata Plan NW2195
#704	60	PID: 000-814-181, Strata Lot 60 Block 19 New Westminster District Strata Plan NW2195
#705	61	PID: 000-814-199, Strata Lot 61 Block 19 New Westminster District Strata Plan NW2195

Part 2 Permitted Encumbrances

1. All tenancy agreements between the LP and tenants leasing portions of the Lands.
2. Covenant CA8859097 in favor of the Corporation of the City of New Westminster.

SCHEDULE "C"
RECEIVER'S CERTIFICATE

No. S-261032
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PRICE CAPITAL PARTNERS INC.

PETITIONER

AND:

1274877 B.C. LTD.,
KINNAIRD KONVERSION LIMITED PARTNERSHIP,
KINNAIRD KONVERSION GP INC.

RESPONDENTS

RECEIVER'S CERTIFICATE

- A. Pursuant to an Order of the Honourable Justice Kirchner of the Supreme Court of British Columbia dated February 17, 2026 (the "**Receivership Order**"), KSV Restructuring Inc. was appointed as the receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and property, including the Lands (as defined in the Receivership Order), of 1274877 B.C. Ltd., Kinnaird Konversion Limited Partnership and Kinnaird Konversion GP Inc. pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended, and the *Law and Equity Act*, R.S.B.C. 1996, c. 253, as amended; and
- B. Pursuant to an Order of the Honourable Justice Coval of the Supreme Court of British Columbia dated April 29, 2026 (the "**Approval and Reverse Vesting Order**"), the Court, among other things, approved the Sale Agreement and the transfer of the Debtors' interest in the Purchased Assets (as those capitalized terms are defined in the Approval and Reverse Vesting Order) to Price Capital Partners Inc. ("**Price Capital**"), its assignee or such other entity as the Purchaser may direct (Price Capital, its assignee or such other entity as Price Capital may direct, the "**Purchaser**"), and provided for the vesting thereof in the Purchaser effective upon delivery by the Receiver to the Purchaser of a certificate confirming receipt of the full amount of the Purchase Price (as defined in the Sale Agreement).

THE RECEIVER HEREBY CERTIFIES the following:

1. The Receiver has received the full amount of the Purchase Price; and
2. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ on _____, 2026.

KSV Restructuring Inc., in its capacity as the Receiver of 1274877 B.C. Ltd., Kinnaird Konversion Limited Partnership and Kinnaird Konversion GP Inc., and not in its personal or corporate capacity

By: _____

Name: Noah Goldstein

Title: Managing Director

SCHEDULE "D"
ENCUMBRANCES

A. Charges to be deleted/expunged from title to the Lands

Nature: Mortgage
Registration Number: CA8859099
Registered Date and Time: 2021-03-22 12:03
Registered Owner: Portage Capital Nominee Corp. (Incorporation No.002814032)

Nature: Assignment of Rents
Registration Number: CA8859100
Registered Date and Time: 2021-03-22 12:03
Registered Owner: Portage Capital Nominee Corp. (Incorporation No.002814032)

Nature: Modification
Registration Number: CB1247915
Registered Date and Time: 2024-04-05 16:46
Remarks: Modification of CA8859099

Nature: Mortgage
Registration Number: CB2112487
Registered Date and Time: 2025-06-17 10:46
Registered Owner: Price Capital Partners Inc. (Incorporation No. A0117352)

Nature: Assignment of Rents
Registration Number: CB2112488
Registered Date and Time: 2025-06-17 10:46
Registered Owner: Price Capital Partners Inc. (Incorporation No. A0117352)

B. Other Encumbrances to be Expunged

Any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing:

- (i) any encumbrances or charges created by the Receivership Order;
- (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system;
- (iii) any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form;

(iv) any agreement, lease, license, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to or the ownership of the Purchased Assets or any part thereof or interest therein,

but for the avoidance of doubt, shall not include the Permitted Encumbrances.

C. Personal Property Security

British Columbia Personal Property Registry		
Base Registration Number	Base Registration Date	Party Against
893465M	March 18, 2021	1274877 B.C. Ltd.
819871N	June 24, 2022	1274877 B.C. Ltd.
819878N	June 24, 2022	1274877 B.C. Ltd.
994966N	September 22, 2022	1274877 B.C. Ltd.
949145Q	February 19, 2025	1274877 B.C. Ltd.
312426R	June 17, 2025	1274877 B.C. Ltd.
839449M	March 18, 2021	Kinnaird Konversion GP Inc. Kinnaird Konversion Limited Partnership

SCHEDULE "E"
PERMITTED ENCUMBRANCES

1. All tenancy agreements between Kinnaird LP and tenants leasing portions of the Lands.
2. Covenant CA8859097 in favor of the Corporation of the City of New Westminster.
3. Legal Notation CA8859098 in favor of the Corporation of the City of New Westminster.