



**First Report of
KSV Restructuring Inc.
as Receiver and Manager of
Southview Gardens BT LTD., Southview
Gardens Limited Partnership, and Southview
Gardens Properties Ltd.**

March 16, 2023

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COURT FILE NO: VLC-S-S-23IU65

IN THE SUPREME COURT OF BRITISH COLUMBIA

PEAKHILL CAPITAL INC.

APPLICANT

- AND -

SOUTHVIEW GARDENS BT LTD., SOUTHVIEW GARDENS LIMITED PARTNERSHIP AND
SOUTHVIEW GARDENS PROPERTIES LTD.

RESPONDENT

FIRST REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER

MARCH 16, 2023

1.0 Introduction

1. This report (“Report”) is filed by KSV Restructuring Inc. (“KSV”) in its capacity as receiver and manager (the “Receiver”) of all the assets, undertakings and business of Southview Gardens BT LTD., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. (the “Debtors”) as they relate to the land legally described as Lot 14, District Lot 334, Plan 13993, PID 007-982-160 (municipally known as 3240 East 58th Avenue, Vancouver, British Columbia) and the buildings thereon (the “Real Property”), together with the Real Property itself, and including the proceeds thereof. The Debtors’ principal asset is the Real Property.
2. Pursuant to an application made by Peakhill Capital Inc. (“Peakhill”), the Supreme Court of British Columbia (the “Court”) made an Order on February 16, 2023 appointing KSV as the Receiver (the “Receivership Order”). A copy of the Receivership Order is available [here](#).
3. The principal purpose of the receivership proceedings is to conduct a Court-supervised sale process for the Real Property that maximizes value for the Debtors’ stakeholders, including Peakhill, Cenyard Pacific Developments Inc. (“Cenyard”) and Woodbourne Canada IV GP ULC, WB Canada Partners IV (INT) MF CORP., and WB Canada Partners IV MF, LLC (“Woodbourne”), collectively being the Debtors’ principal secured creditors (the “Secured Lenders”).
4. Additional information about the receivership is provided on the Receiver’s website at: <https://www.ksvadvisory.com/experience/case/southviewgardens>.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Debtors and these proceedings;
 - b) summarize a recommended sale process (the “Sale Process”) for the Real Property, including the retention of CBRE Limited (“CBRE”) to act as listing agent pursuant to a listing agreement (the “Listing Agreement”);
 - c) provide an overview of the steps taken by the Receiver to address insurance issues in respect of the Real Property;
 - d) provide an overview of the Receiver’s activities since the commencement of these proceedings; and
 - e) recommend that the Court issue an order:
 - approving the Sale Process, including the retention of CBRE to list the Real Property for sale pursuant to the Listing Agreement;
 - sealing the Confidential Supplement to this Report (the “Confidential Supplement”) until closing of a transaction(s) in respect of the entirety of the Real Property or further order of this Court; and
 - approving this Report and the Receiver’s activities detailed herein.

1.2 Currency

1. All currency references in this Report are to Canadian dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon information, including financial information, provided by i) the Debtors and certain of their affiliates; ii) Bentall Kennedy (Canada) Limited Partnership (“Bentall”), the property manager of the Real Property; iii) realtors contacted by the Receiver; and iv) discussions with the Debtors, Bentall and the Secured Lenders (collectively, the “Information”).
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information is required to perform its own diligence.

2.0 Background

1. The Debtors' principal asset is the Real Property which is approximately 6.58 acres and is located within the Champlain Heights neighborhood of Vancouver, British Columbia. The Debtors operate an 18 building, 140 unit rental property comprising a series of two and three story residential rental townhouse and apartment units totaling approximately 141,000 square feet. The Real Property is known as "Southview Gardens".
2. The Real Property is managed by Bentall, which is responsible for the day-to-day operations of the Real Property including collecting rent, corresponding with tenants, arranging for ongoing repairs and maintenance and paying expenses. The Receiver has been in frequent communication with Bentall and developed a communication plan to address potential questions from tenants regarding the receivership proceedings.
3. The Receiver understands that 138 of the 140 units are currently rented. The remaining two units are vacant and are being marketed by Bentall.
4. The Receiver understands that the Real Property may have significant development potential given the size of the land and the local government's objectives of creating new rental housing within the Champlain Heights area of Vancouver and to increase the availability of housing stock in Vancouver generally. The Receiver understands that there may be significant opportunity to densify the Real Property which would capitalize on the significant residential housing demand in Metro Vancouver.
5. The Receiver has engaged Pooni Group, an urban planner with extensive experience in the Vancouver area, to understand the development potential of the Real Property. Pooni Group had previously been engaged by the Debtors in respect of a potential re-development project on the Real Property. Pooni Group has prepared a memorandum which will be shared with interested parties that sign a confidentiality agreement ("CA") in the Sale Process.

3.0 Creditors

3.1 Secured Creditors

1. The Receiver understands that there are three secured creditors, being the Secured Lenders, registered on title to the Real Property. The Secured Lenders have advised the Receiver that they are owed the amounts set out in the table below¹. Interest, fees and costs continue to accrue.

Secured Creditor	Ranking	Amount Owing
Peakhill	1	\$51,016,552, as at February 8, 2023
Cenyard	2	\$22,323,985 as at approximately March 8, 2023
Woodbourne	3	\$8,436,810 as at February 24, 2023

¹ The Receiver will perform a detailed review of the amounts owing to each Secured Lender in due course.

3.2 Unsecured Creditors

1. According to the Debtors' and Bentall's books and records, there is approximately \$124,000 owing to unsecured creditors. The Receiver is not yet aware if Canada Revenue Agency has a claim against the Debtors.

4.0 Sale Process

4.1 Request for Proposals from Realtors

1. At the commencement of these proceedings, the Receiver solicited proposals from six realtors to act as listing agent for the Real Property, subject to Court approval. All six realtors are known to the Receiver to have experience in the listing and sale of multi-residential buildings and development properties in Vancouver.
2. The Receiver requested that each realtor provide background information regarding each firm's experience, knowledge of the Vancouver and British Columbia market, a marketing plan for the Real Property, an estimate of the value of the Real Property and the realtor's proposed commission structure. A copy of the request for proposals sent to realtors is attached as Appendix "A". The Receiver requested that proposals be submitted by 5 pm (PST) on March 3, 2023.
3. The Receiver received proposals from each of the realtors by the deadline and has prepared a summary of the proposals, an unredacted copy of which is attached as Appendix "1" to the Confidential Supplement to this Report (the "Confidential Supplement"). The Receiver is of the view that the Confidential Supplement should be filed with the Court on a confidential basis and sealed as it contains information regarding the estimated value of the Real Property and other assessments with respect to the Real Property which, if made public, may adversely influence the value of the offers submitted in the Sale Process. This would pose a serious risk to the interests of the Debtors' stakeholders, including the Secured Lenders, and potentially hinder the ability of the Receiver to satisfy its duty to maximize the value obtained for the Real Property. As set out in the Confidential Supplement, the Receiver is not aware of any party that will be prejudiced if the information is sealed at this time. Accordingly, the Receiver believes the proposed sealing order is appropriate in the circumstances.

4.2 Listing Agreement

1. The Receiver attended multiple phone calls with the realtors that submitted proposals, including to clarify aspects of their proposals. A primary consideration for the Receiver in selecting a realtor was the realtors' experience marketing and selling development properties as it appears the Real Property has more value as a re-development site than based on its current use. The Receiver held interviews with the two realtors that it believed submitted the strongest proposals. Representatives of Peakhill and Woodbourne attended the interviews.

2. Cenyard did not attend the interviews. At the outset of the receivership proceedings, Cenyard advised that it is considering whether to make a bid for the Real Property. The Receiver advised Cenyard that if it intended to submit a bid, the Receiver would be unable to share the realtor proposals with Cenyard to maintain the integrity of the Sale Process given that the realtor proposals include the realtors' estimates of value. As at the date of this Report, Cenyard has not confirmed whether it intends to participate in the sale process. If Cenyard advises the Receiver that it does not intend to submit a bid, the Receiver will consult with Cenyard regarding the Sale Process going forward.
3. The Receiver is proposing that CBRE be selected as the realtor on this assignment. In making its recommendation, the Receiver considered, among other things, CBRE's recent experience with large-scale complex land transactions in the Vancouver and surrounding market, its assessment of the potential development value of the Real Property, its knowledge of potential buyers and its commission rate. Peakhill and Woodbourne both support the retention of CBRE.
4. The Listing Agreement is attached to this Report as Appendix "B".

4.3 Sale Process

1. The Receiver has worked with CBRE to develop the Sale Process, which is summarized in the table below.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Due diligence	➤ CBRE to review all available documents (financial, legal and environmental reports) concerning the Real Property.	Prior to the hearing of this application
Finalize marketing materials	➤ CBRE and the Receiver to: <ul style="list-style-type: none"> ○ prepare a marketing brochure; ○ populate an online data room; ○ prepare a CA; and ○ prepare a Confidential Information Memorandum (“CIM”). 	
Prospect Identification	➤ CBRE will qualify and prioritize prospects; and ➤ CBRE will also have pre-marketing discussions with targeted prospects.	
<i>Phase 2 – Marketing and Offer Solicitation</i>		
Stage 1	➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ offering summary and marketing materials printed; ○ launch of email and social media campaign; ○ publication of the acquisition opportunity in a regional and national newspaper; ○ telephone and email canvass of leading prospects; and ○ meet with and interview bidders. 	Week 1-6
Stage 2	➤ CBRE to provide detailed information to qualified prospects that sign the CA, including the CIM and access to the data room; ➤ CBRE to facilitate diligence by interested parties; ➤ Receiver and legal counsel will prepare a vendor’s form of Purchase and Sale Agreement (“PSA”) which will be made available in the data room; and ➤ CBRE to provide weekly updates to the Receiver.	Week 1-6
Stage 3	➤ Prospective purchasers to submit preliminary letters of intent or PSAs.	May 11, 2023
<i>Phase 3 – Offer Review and Negotiations</i>		
	➤ Proposal short listing and approval; ➤ 2 nd Round bids and further bidding - prospective purchasers may be asked to re-submit PSAs on one or more occasions.	Week 7-8
Selection of Successful Bids	➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser.	Week 8-9
Due Diligence	➤ Manage and monitor final due diligence process, to the extent required.	
<i>Phase 4 – Closing</i>		
Sale Approval Motion and Closing	➤ Application for sale approval and close transaction; and ➤ Transaction completed as soon as possible.	ASAP

2. Additional aspects of the Sale Process include:
 - a) the Real Property will be marketed on an “as is, where is” basis;
 - b) to the extent permitted by law, all of the right, title and interest of the Debtors in the Real Property will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to an approval and vesting order(s) to be sought by the Receiver;
 - c) the Receiver will be entitled to extend any deadlines in the Sale Process if it considers it appropriate or necessary in the circumstances;
 - d) the Receiver will have the right to reject any and all offers, including the highest dollar value offer(s);
 - e) if, in the Receiver’s sole discretion, it will assist to maximize recoveries, the Receiver will have the right to modify and adopt such other procedures (including consideration of a credit bid by a Secured Creditor) that will better promote the sale of the Real Property or increase the aggregate recoveries from same for stakeholders; and
 - f) any transaction will be subject to Court approval.

4.4 Sale Process Recommendation

1. The Receiver recommends that the Court issue an order approving the Sale Process, including the retention of CBRE, for the following reasons:
 - a) the Sale Process is a fair, open and transparent process intended to canvass the market broadly on an orderly basis. The terms are consistent with traditional real estate sale processes conducted in the context of receivership proceedings;
 - b) the Sale Process is flexible and provides the Receiver with the timelines, procedures and flexibility that it believes are necessary to maximize value;
 - c) there will be no delay commencing the Sale Process – CBRE has already commenced its underwriting process. This should allow for the process to be conducted on a timely basis, which will assist to reduce costs;
 - d) the duration of the Sale Process is sufficient to allow interested parties to perform diligence and to submit an offer on or before the preliminary offer deadline of May 11, 2023. The marketing process is anticipated to last approximately six weeks, subject to the Receiver’s right to extend or amend timelines, as appropriate;
 - e) CBRE’s team for this assignment is based in Vancouver, has experience selling large-scale properties with development potential in the Vancouver area and has national and international reach;

- f) Based on the Receiver's experience, CBRE's commission rate is consistent with market rates; and
- g) Peakhill and Woodbourne consented to CBRE's engagement.

5.0 Insurance

1. At the commencement of these proceedings, the Receiver obtained a copy of the Debtors' insurance policy (the "Insurance Policy") from the Debtors, and determined that the Insurance Policy was due to expire at 12:01 a.m. on March 15, 2023. The Insurance Policy provided, among other things, the following coverage:
 - a) \$20.0 million of property coverage for all risks with a 90% co-insurance clause;
 - b) \$6.0 million of excess property coverage;
 - c) \$5.24 million of rental replacement coverage for an indemnity period of 24 months; and
 - d) \$30.0 million of commercial general liability coverage.
2. On February 22, 2023, the Receiver requested that BFL CANADA Risk and Insurance Services Inc. ("BFL"), the Debtors' insurance broker, seek a renewal of the Insurance Policy. BFL advised that the Insurance Policy was underwritten by a consortium of insurance companies and that it would attempt to obtain renewal coverage from these parties.
3. However, shortly thereafter, BFL advised the Receiver that certain of the insurers were unwilling to provide renewal coverage as they considered the receivership proceedings to be a material adverse change in the Debtors' operations and a material change in risk. BFL advised that it would continue to work to obtain full replacement coverage from additional insurers and, on request by the Receiver, that it would provide the Receiver with daily updates. In order to address the insurers' concerns, the Receiver advised BFL that the status of the Real Property is unchanged and that Bentall continues to manage the Real Property in the normal course.
4. The Receiver also reached out to Aon Parizeau Inc. ("Aon"), an insurance broker that has historically been able to source insurance coverage in insolvency proceedings, to attempt to secure replacement insurance coverage. The Receiver thereafter corresponded with BFL and Aon on a near daily basis (and at times, multiple times a day) to obtain updates and provided the Secured Lenders with updates regarding the insurance status.
5. The Receiver also engaged Ryan ULC ("Ryan"), an insurance appraiser, to provide an insurance appraisal for the replacement cost of the Real Property (the "Insurance Appraisal"). Ryan completed its appraisal on March 9, 2023 which indicated that the replacement cost is \$23,720,000, which amount is within the coverage limits of the Insurance Policy. The Receiver provided BFL and Aon with copies of the Insurance Appraisal.

6. On March 14, 2023, BFL advised that it had secured insurance coverage, which includes the following:
 - a) \$20.0 million of property coverage, which amount includes approximately \$5.37 million of rental replacement coverage for an indemnity period of 24 months; and
 - b) \$30.0 million of commercial general liability coverage.
7. As at the date of this Report, BFL continues to source excess property coverage up to the replacement cost of the Real Property of \$23,720,000. The Receiver continues to follow up with BFL daily regarding the status of the excess coverage.
8. The Receiver will provide the Court with an update regarding insurance at the hearing of the Receiver's application.

6.0 Overview of the Receiver's Activities

1. The Receiver's activities since the commencement of these proceedings have included, *inter alia*, the following:
 - corresponding with the Receiver's counsel, Cassels Brock & Blackwell LLP ("Cassels"), regarding all aspects of this mandate;
 - reviewing Peakhill's receivership application materials, including the Petition, affidavits and draft Receivership Order;
 - preparing letters to the Debtors and Bentall at the outset of these proceedings to request information;
 - corresponding with the Debtors to obtain information regarding, among other things, historical financials and tax returns, appraisals, and property insurance;
 - corresponding and meeting with Peakhill and Woodbourne regarding all aspects of this mandate and to provide ongoing updates;
 - corresponding with Cenyard regarding aspects of this mandate;
 - attending at the Real Property with Bentall to discuss Bentall's role and understand the status of the Real Property;
 - corresponding extensively and attending several meetings with Bentall regarding the management of the Real Property, communication with tenants and to request information;
 - reviewing and approving payments and corresponding with Bentall regarding same;
 - reviewing information provided by Bentall including information with respect to, among other things, the budget, rent roll, service agreements, leasing reports and capital expenditures;

- corresponding with BFL, as addressed above;
- corresponding with Aon to obtain insurance coverage;
- reviewing the new insurance policy and corresponding with Cassels regarding same;
- preparing a request for proposals to select a realtor and corresponding with each of the realtors regarding same;
- attending calls and meetings with certain realtors regarding their proposals;
- reviewing and summarizing the proposals submitted by the realtors and discussing same with Peakhill and Woodbourne;
- attending calls with Peakhill, Woodbourne and certain realtors to finalize the selection of CBRE as the proposed realtor;
- negotiating the Listing Agreement with CBRE;
- drafting and sending to all creditors the Notice and Statement of the Receiver pursuant to Sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- drafting this Report and reviewing all application materials filed in connection with the Receiver's application; and
- dealing with other matters pertaining to the administration of this mandate

7.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
SOUTHVIEW GARDENS BT LTD.,
SOUTHVIEW GARDENS LIMITED PARTNERSHIP AND
SOUTHVIEW GARDENS PROPERTIES LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



Jordan Wong
kvs advisory inc.

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jwong@kvsadvisory.com

February 24, 2023

BY EMAIL - [REDACTED]

[REDACTED]

Dear [REDACTED]

Re: Southview Gardens BT LTD., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. (collectively the "Debtors")

Pursuant to an order of the Supreme Court of British Columbia dated February 16, 2023 (the "Receivership Order"), KSV Restructuring Inc. was appointed receiver and manager ("Receiver") of the Debtors' property, assets and undertaking as they relate to the land legally described as Lot 14, District Lot 334, Plan 13993, PID 007-982-160 and the buildings thereon (the "Land"), together with the Land itself, and including proceeds thereof (collectively, the "Property"). A copy of the Receivership Order is available at <https://www.kvsadvisory.com/experience/case/southviewgardens>.

The Company's principal asset is a multi-residential rental unit complex located at 3240 East 58th Avenue, Vancouver, British Columbia (the "Real Property").

The principal purpose of the receivership proceedings is to solicit offers and complete a transaction for the Real Property. Accordingly, you are invited to submit a proposal to act as our agent in connection therewith. **Proposals must be submitted to the Receiver by 5:00 p.m. (PST) on March 3, 2023**

Details concerning the process and the content to be included in your proposal are attached as Appendix "A". A confidentiality agreement is attached as Appendix "B".

Should you have any questions with respect to the above, please contact the undersigned at (416) 932-6025.

Yours very truly,

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
SOUTHVIEW GARDENS BT LTD., SOUTHVIEW GARDENS LIMITED PARTNERSHIP, AND
SOUTHVIEW GARDENS PROPERTIES LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Per: Jordan Wong

**Appendix “A”
Request for Proposals for
REAL ESTATE BROKER SERVICES**

**Re: Southview Gardens BT LTD., Southview Gardens Limited Partnership, and
Southview Gardens Properties Ltd. (collectively the “Debtors”)**

Pursuant to an order of the Supreme Court of British Columbia dated February 16, 2023 (the “Receivership Order”), KSV Restructuring Inc. was appointed receiver and manager (“Receiver”) of the Debtors’ property, assets and undertaking as they relate to the land legally described as Lot 14, District Lot 334, Plan 13993, PID 007-982-160 and the buildings thereon (the “Real Property”).

The Receiver invites proposals to provide real estate broker services for the listing and sale of the Real Property.

Proposals must be submitted by email to Jordan Wong, Director, KSV Restructuring Inc., at jwong@ksvadvisory.com.

A. Background

- The Receiver is now accepting proposals (“Proposals”) to act as listing agent to solicit offers for the Real Property. The Receiver may engage one or more realtors to market the Real Property.
- The terms of any sale process (the “Strategic Process”) and the selection of a realtor(s) are subject to Court approval.
- Copies of all Court materials filed in these proceedings are available on the Receiver’s website at:

<https://www.ksvadvisory.com/experience/case/southviewgardens>

- A brief summary of the Real Property is provided below. Additional information is provided in a data room maintained by the Receiver. Realtors can obtain access to the data room once they sign the confidentiality agreement attached as Appendix “B”.

3240 East 58th Avenue, Vancouver, British Columbia
(Lot 14, District Lot 334, Plan 13993, PID 007-982-160)

- The Property is a residential rental property with 140 townhouses. It is managed by a third party, BentallGreenOak.

B. Proposal Submission Deadline

- Proposals are to be submitted to the Receiver by 5:00 p.m. (PST) on March 3, 2023.

C. Realtor’s Role

The realtor’s role will include, *inter alia*:

- developing a detailed marketing process, including recommended timelines for the Strategic Process;

- establishing an estimated value for the Real Property;
- preparing all marketing materials, with input from the Receiver;
- advertising the Real Property at the agent's expense;
- obtaining and negotiating confidentiality agreements from interested parties;
- showing the Real Property to interested parties and working with the Receiver to maintain a data room to facilitate the Strategic Process;
- qualifying interested parties from a financial perspective;
- assisting interested parties with their due diligence;
- assisting the Receiver to assess offers submitted;
- providing the Receiver with a report summarizing the Strategic Process, to be relied upon by the Receiver to support the Receiver's recommended transaction; and
- assisting the Receiver to close a transaction.

D. Proposal Content

The Proposal must contain the following:

1. Work Plan: all bidders shall provide a detailed work plan.
2. Value: all bidders shall provide an estimate of the value of the Real Property, together with supporting assumptions including a discussion concerning the highest and best use for the Real Property.
3. Firm Background and Staff Experience: all bidders shall provide background information concerning their firm, including the experience of their staff who will be leading this assignment (including résumés for team leaders).
4. Bidder's Liability Insurance Certificate: a copy of the bidder's liability insurance certificate is to be included.
5. Compensation Structure: all Proposals shall indicate the proposed compensation structure.
6. Conflict of Interest Statement: all bidders shall disclose any professional or personal financial interests which could be a possible conflict of interest. In addition, all bidders shall further disclose any arrangements to derive additional compensation.

E. Proposal Consideration

The factors on which each Proposal will be considered include the following:

- Bidder's marketing plan;
- Relevant experience with real estate complexes based on development potential;

- Relevant experience with real estate in the Vancouver and surrounding area and experience working with Court appointed officers;
- Depth of reach, including international targets (to the extent applicable);
- Estimate of the value of the Real Property and the underlying assumptions;
- Consideration of the development strategy for the Real Property;
- Professional qualifications of individuals leading the project;
- Compensation structure; and
- Other factors as determined by the Receiver at its sole discretion.

Please limit your proposal to a total of 20 pages

CONFIDENTIALITY AGREEMENT

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

Email: jwong@ksvadvisory.com
Attention: Jordan Wong

To Whom It May Concern:

Re: Southview Gardens BT LTD., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. (collectively the “Debtors”)

WHEREAS this agreement (the “Confidentiality Agreement”) is being executed between the Receiver and the Broker (terms as defined below), as entered into as of the date on the last page hereto, for the purpose of providing the Receiver with a proposal (the “Proposal”) regarding real estate brokerage services concerning the property legally described as Lot 14, District Lot 334, Plan 13993, PID 007-982-160 (located at 3240 East 58th Avenue, Vancouver, British Columbia) (the “Real Property”).

AND WHEREAS We/I as undersigned (hereinafter referred to as the “Broker”) requests that KSV Restructuring Inc., in its capacity as receiver and manager (the “Receiver”) of the Real Property appointed pursuant to an order of the Supreme Court of British Columbia made on February 16, 2023, provide the Broker with certain confidential information relating to the Real Property.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) and in consideration of the Receiver agreeing to provide the Broker with certain or all of the Information (as defined below), the Broker hereby undertakes and agrees as follows:

- a) To treat and maintain confidentially, such information and any other information that the Receiver, the Debtors, or any of their advisors furnish to the Broker, whether furnished before or after the date of this Agreement, whether furnished orally or in writing or otherwise recorded or gathered, and regardless of whether specifically identified as "confidential", including any documents or copies (paper, electronic or otherwise) and communications thereof contained (collectively, the "Information").
- b) Not to use any of the Information for any purpose other than for the exclusive purpose of evaluating the possibility of submitting a listing proposal for the Real Property. The Broker agrees that the Information will not be used in any way detrimental to the Debtors, the Real Property or the Receiver in the performance of its mandate concerning the Real Property and that such Information will be kept confidential by the Broker, its directors, officers, employees and representatives (collectively, the “Representatives”) and these Representatives shall be informed by the Broker of the confidential nature of such information and shall be directed to treat such information confidentially.
- c) To be held responsible for any breaches of this Confidentiality Agreement by its Representatives, and to advise the Representatives of the confidential nature of the Information, and to provide to those Representatives to which or to whom the Information is provided a copy of this Confidentiality Agreement, and if such Representative is not otherwise bound by restrictions on disclosure and use similar to the obligations hereunder, to have such Representatives agree to be bound by this Confidentiality Agreement.
- d) To transmit, where required, the Information only to those Representatives who need to know the Information for the purposes described herein, who shall be informed by the Broker of the confidential nature of the Information and who agree to be bound by the provisions of this Confidentiality Agreement. On request, the Broker shall promptly notify the Receiver of the identity of each Representative to whom any Information has been delivered or disclosed.

- e) To not supply or disclose any data, communications or documents included in the Information or any Information included therein or any Information hereinafter obtained in the course of or with respect to considering, preparing and providing a Proposal to the Receiver to any corporation, company, partnership or individual or any combination of one or more of the foregoing (any of which are hereby defined as a "Person") other than the Broker and its Representatives without the written consent of the Receiver.
- f) The Broker and its Representatives will not, without the prior written consent of the Receiver, disclose to any Person that this solicitation for Proposal is taking place nor disclose of any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.
- g) That any time, at the request of the Receiver, the Broker agrees to promptly return or destroy, without any right of compensation or indemnity, all Information without retaining any copies thereof or any notes relating thereto or reproductions or any part thereof in its possession without regards to the form or format. The Broker will certify as to the return or destruction of all Information and related notes and copies of such information and that no Person has a copy of the Information.
- h) That in the event the Broker is required or requested by legal process to disclose any of the Information, the Broker will provide the Receiver with prompt written notice of such requirement or request so that the Receiver may take such actions as it considers appropriate.
- i) That the Broker agrees that the Receiver and the Debtors make no representations or warranties as to the accuracy or completeness of the Information. The Broker further agrees that neither the Receiver, nor the Debtors or any other author of or Person providing Information shall have any liability to the Broker or any of its Representatives arising from the use of the Information by the Broker or its Representatives.
- j) The Broker represents and warrants that it shall be responsible for any costs associated with its review of the Information. Any consultants, real estate agents/brokers, and/or advisors retained by the Broker shall be required to execute, and to be bound by, this Confidentiality Agreement. The Broker shall retain a copy of such executed Confidentiality Agreement and will provide it to the Receiver immediately following its request.
- k) The Broker and its Representatives acknowledge that the Receiver is acting strictly in its capacity as Receiver and shall have no liability for any action, omission, statement, misstatement, representation, or warranty made within the Information. The Broker and its Representatives further acknowledge that the Receiver shall have no liability for any action, omission, statement, misstatement, representation, or warranty made by itself or its employees to the Broker and its Representatives, absent fraud or willful misconduct.
- l) The Broker shall indemnify the Receiver, any of its employees, and its counsel against any loss, cost, damage, expense, legal fees or liability suffered or incurred by any of them as a result of or in connection with any breach by the Broker or any of its Representatives to whom the Broker discloses Information of any term or provision of this Confidentiality Agreement.
- m) The Broker acknowledges and agrees that the execution and delivery of this Confidentiality Agreement and the delivery of the Information does not give rise to any legal obligation of the Receiver, whether in contract, in negligence or other tort, or by way of fiduciary duty or otherwise. Without limiting the generality of the foregoing, the Broker acknowledges and agrees that the Receiver is not and will not be under any obligation, express or implied, to provide or to continue to provide Information, to entertain any offers or proposals for the purchase or any sale, or to complete a sale or other transaction with the Broker, unless and until a legally binding agreement is delivered and executed which expressly provides for such obligations. Furthermore, the Broker acknowledges and agrees that the Receiver has not and will not give any representations or warranties, either express or implied, concerning the accuracy or completeness of, or otherwise relating in any way to, the Information, and that the Receiver shall not have any liability whatsoever to the Broker or any Representatives for any transaction entered into, or not entered into, or any other act, omission or decision made or taken, relying upon or in any way affected by, the Information.

- n) The Broker agrees that monetary damages would not be a sufficient remedy for any breach of this Agreement by it or its employee or agents and that any court having jurisdiction may enter a preliminary and/or permanent restraining order, injunction or order for specific performance in the event of an actual or threatened breach of any of the provisions of this Agreement, in addition to any other remedy available to the Receiver or the Debtors. In addition to all remedies available to the Receiver, it is agreed that the Receiver shall be entitled to equitable relief if necessary, including an injunction or specific performance in relation to a breach of this Confidentiality Agreement by the Broker and/or its Representatives.
- o) The Broker hereby agrees to observe all the requirements of any applicable privacy legislation including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) with respect to personal information which may be contained in the Information.
- p) The Broker acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this Confidentiality Agreement and has either received same or expressly waived its right to do so.
- q) This Confidentiality Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Confidentiality Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Each party hereto irrevocably submits to the exclusive jurisdiction of the Supreme Court of British Columbia sitting in Vancouver, British Columbia, with respect to any matter arising hereunder or related hereto.
- r) This Confidentiality Agreement shall enure to the benefit of the Receiver and the Debtors and their successors and assigns. Any party may deliver an executed copy of this Confidentiality Agreement by facsimile or email. This Confidentiality Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
- s) This Confidentiality Agreement shall have a term of two (2) years from the date written below.

DATED at _____ this _____ day of _____, 2023

("Broker")

Corporate Name (Please Print)

By (Authorized Signing Officer's Signature)

(Officer's Name and Title)

(Broker's
Address)

(Telephone Number)

(Email Address)

Appendix “B”

Re: Listing Agreement (the "**Agreement**") for the land legally described as Lot 14, District Lot334, Plan 13993, PID 007-982-160 (municipally known as 3240 East 58th Avenue, Vancouver, British Columbia) (the "**Property**") between **CBRE Limited** (the "**Listing Brokerage**") and **KSV Restructuring Inc.** (the "**Seller**"), without personal or corporate liability and solely in its capacity as Court-appointed receiver and manager of all the assets, undertakings and business of Southview Gardens BT LTD., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd., (the "**Debtors**") as they relate to the Property and the buildings thereon.

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

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

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

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

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

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

(b) if instructed by the Seller, offer the Property for sale on MLS, for which the listed price shall be \$1.00, or as otherwise directed by the Seller, and the commissions to Co-operating Agents (as defined below) shall be negotiated by the Listing Brokerage with the Co-operating Agents but shall be an additional commission agreed to and paid by the Seller in addition to the Listing Fee (as defined below);

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

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Due diligence	<ul style="list-style-type: none"> ➤ The Listing Brokerage to review all available documents (financial, legal and environmental reports) concerning the Real Property. 	Prior to the March 23, 2023 Court hearing to approve the sale process and retention of the Listing Brokerage
Finalize marketing materials	<ul style="list-style-type: none"> ➤ The Listing Brokerage and the Seller to: <ul style="list-style-type: none"> ○ prepare a marketing brochure; ○ populate an online data room; ○ prepare a Confidentiality Agreement (“CA”); and ○ prepare a Confidential Information Memorandum (“CIM”). 	
Prospect Identification	<ul style="list-style-type: none"> ➤ The Listing Brokerage will qualify and prioritize prospects; and ➤ The Listing Brokerage will also have pre-marketing discussions with targeted prospects. 	
<i>Phase 2 – Marketing and Offer Solicitation</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ offering summary and marketing materials printed; ○ launch of email and social media campaign; ○ publication of the acquisition opportunity in a regional and national newspaper; ○ telephone and email canvass of leading prospects; and ○ meet with and interview bidders. 	Week 1-6
Stage 2	<ul style="list-style-type: none"> ➤ The Listing Brokerage to provide detailed information to qualified prospects that sign the CA, including the CIM and access to the data room; ➤ The Listing Brokerage to facilitate diligence by interested parties; ➤ The Seller and legal counsel will prepare a vendor’s form of Purchase and Sale Agreement (“PSA”) which will be made available in the data room; and 	Week 1-6

	<ul style="list-style-type: none"> ➤ The Listing Brokerage to provide weekly updates to the Seller. 	
Stage 3	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit preliminary letters of intent or PSAs. 	May 11, 2023
<i>Phase 3 – Offer Review and Negotiations</i>		
	<ul style="list-style-type: none"> ➤ Proposal short listing and approval; ➤ 2nd Round bids and further bidding - prospective purchasers may be asked to re-submit PSAs on one or more occasions. 	Week 7-8
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser. 	Week 8-9
Due Diligence	<ul style="list-style-type: none"> ➤ Manage and monitor final due diligence process, to the extent required; 	
<i>Phase 4 – Closing</i>		
Sale Approval Application and Closing	<ul style="list-style-type: none"> ➤ Motion for sale approval and close transaction; and ➤ Transaction completed as soon as possible. 	ASAP

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

(e) ensure that there is continuity in the assignment of individual staff members and partners to the work performed by the Listing Brokerage under the terms of this engagement. In particular, the Listing Brokerage agrees to ensure that individual staff members originally assigned, including Tony Quattrin Personal Real Estate Corporation, Jim Szabo Personal Real Estate Corporation, Carter Kerzner, Vincent Minichiello, Anthony Liang and Kevin Mak (collectively the “Listing Team”), to perform work in connection with the Listing Brokerage’s engagement, will each be available and will devote the time required to undertake the assignment contemplated herein;

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

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

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

5. Commission Payable to the Listing Brokerage. The Seller shall pay to the Listing Brokerage upon the successful completion of sale of the Property, a commission payable of 0.75% of the gross selling price (the "Listing Fee"). If Cenyard Pacific Developments Inc., or an entity related to them, is the successful purchaser of the Real Property, the Seller shall pay to the Listing Brokerage upon successful completion of the sale of the Property, a commission payable of 0.375%, which will be the "Listing Fee" as opposed to 0.75%. For greater certainty, if any parties other than Cenyard Pacific Developments Inc. are the successful purchaser, the Listing Fee will be 0.75% of the gross selling price. The Seller acknowledges that payment of GST applies on all commissions payable. As it relates to the commission payable, a sale constitutes a Court approved sale of the Property, share transaction, exercise of first right to purchase, option or other form of sale or transfer of the rights of the Property. The Seller agrees to notify the Listing Brokerage of the successful completion or closing. The Seller hereby instructs its solicitors and agrees to advise the Court to distribute payment to the Listing Brokerage in the amount noted above directly out of the proceeds of sale in accordance with an accepted agreement of purchase and sale and to have same addressed as a closing cost to the transaction.

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

7. Advertisement Expenses & Third Party Consultants. All advertising and sales promotion shall be subject to the approval of the Seller and all such advertisement and promotional material shall be prepared, published and distributed by the Listing Brokerage and shall be at the expense of the Listing Brokerage. All third-party reports and legal service fees requested and/or approved by the Seller shall be at the expense of the Seller.

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

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

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

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

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

13. Facsimile & Counterparts. This Agreement and any other agreement delivered in connection therewith, and any amendments thereto, may be executed by facsimile transmittal facilities, or electronic copy in a portable document format or such similar format and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original of this Agreement, or such other agreement or amendment, as the case may be, and shall be deemed to be made when the receiving party

confirms this Agreement, or such agreement or amendment, as the case may be, to the requesting party by facsimile or by electronic copy in a portable document format or such similar format. This Agreement may be executed in several counterparts, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

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

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

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

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

3/16/2023

CBRE LIMITED

Per:

DocuSigned by:
Jason Kiselbach
1C420B0538E0477

Name: Jason Kiselbach

Title: Managing Director

**KSV RESTRUCTURING INC. SOLELY IN ITS
CAPACITY AS COURT APPOINTED RECEIVER
AND MANAGER OF SOUTHVIEW GARDENS BT
LTD., SOUTHVIEW GARDENS LIMITED
PARTNERSHIP AND SOUTHVIEW GARDENS
PROPERTIES LTD. AND NOT IN ITS PERSONAL
CAPACITY**

Per:



Name: Noah Goldstein

Title: Managing Director