



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

June 29, 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

SECOND REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER

JUNE 29, 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. (the “Nominee”), Southview Gardens Limited Partnership (the “LP”) and Southview Gardens Properties Ltd. (the “GP” and together with the Nominee and the LP, 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.
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”).
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. On March 23, 2023, the Court made an Order (the “Sale Process Approval Order”), among other things, approving a sale process for the Real Property (the “Sale Process”).
5. 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 the results of the Sale Process;
 - c) summarize the Receiver's discussions with Cassels Brock & Blackwell LLP ("Cassels"), the Receiver's counsel, and Lawson Lundell LLP ("Lawson Lundell"), counsel to Cenyard Southview Gardens Ltd. (the "Purchaser"), an entity related to Cenyard, regarding a transaction for the Purchased Assets (as defined below);
 - d) summarize the Purchaser's two offers that are being presented to the Court simultaneously, which are:
 - i. a transaction (the "Primary Transaction") with the Purchaser for the Purchased Assets pursuant to an Agreement of Purchase and Sale dated June 14, 2023 between the Receiver and the Purchaser (the "Primary APS") whereby, among other things, the LP and GP's interest in the Purchased Assets is vested in the Purchaser by way of an approval and vesting order (the "Primary AVO") and all Claims and Encumbrances (each as defined in the Primary APS) against the Nominee's interest in the Purchased Assets are vested by way of a reverse vesting order (the "RVO") in a new entity incorporated for that purpose;
 - ii. an alternative transaction (the "Alternative Transaction") with the Purchaser for the Purchased Assets (which are the same as in the Primary Transaction with the exception of the Shares (as defined below)) pursuant to an Agreement of Purchase and Sale dated June 14, 2023 between the Receiver and the Purchaser (the "Alternative APS") whereby the Purchased Assets are vested in the Purchaser by way of an approval and vesting order (the "Alternative AVO");
 - e) summarize the arrangement between the Purchaser and the Receiver, pursuant to a letter dated June 14, 2023 (the "June 14th Letter") from Lawson Lundell to the Receiver which sets out the terms on which the Purchaser makes, and the Receiver agrees to proceed in respect of, the Primary APS and the Alternative APS;
 - f) set out the Receiver's recommendation regarding distributions of the net proceeds of the Primary Transaction or Alternative Transaction, as the case may be;
 - g) provide an overview of the Receiver's activities since the date of its first report to court dated March 16, 2023 (the "First Report"); and

- h) recommend that the Court issue an order:
- approving the Alternative APS and the Alternative Transaction if the Court does not approve the Primary APS and the Primary Transaction;
 - authorizing and directing the Receiver to complete either:
 - i. the Primary Transaction and carry out all steps necessary to do so, including incorporation of Residual Co (as defined below); or
 - ii. the Alternative Transaction and carry out all steps necessary to do so;
 - sealing the Confidential Supplement to this Report (the “Confidential Supplement”) until closing of the Primary Transaction or Alternative Transaction (as applicable) or further order of this Court;
 - authorizing the Receiver to make distributions to Peakhill on the basis detailed herein; and
 - approving this Report and the Receiver’s activities detailed herein.

1.2 Currency

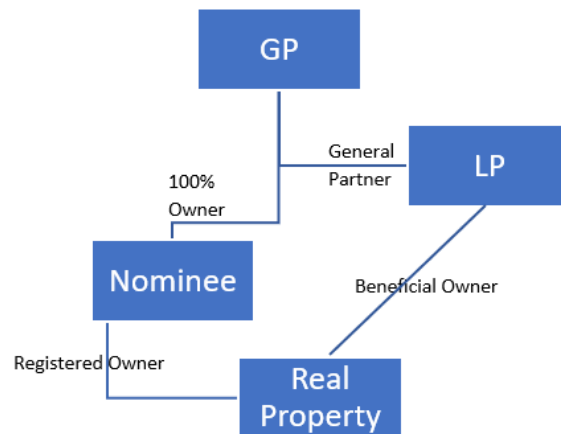
1. All currency references in this Report are to Canadian dollars, unless otherwise noted.

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) CBRE Limited (“CBRE”), the Receiver’s realtor; 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. The Nominee is the registered owner of the Real Property, the LP is the beneficial owner of the Real Property and the GP owns 100% of the common shares of the Nominee and is the general partner of the LP. The corporate chart for the Debtors is included below.



2. The Real Property 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".
3. 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 during the receivership proceedings.
4. The Receiver understands that 139 of the 140 units are currently rented. The remaining unit is vacant and is being marketed by Bentall.
5. 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. There may be significant opportunity to densify the Real Property which would capitalize on the significant residential housing demand in Metro Vancouver.

3.0 Creditors

3.1 Secured Creditors

1. There are three secured creditors, being the Secured Lenders, registered on title to the Real Property. The table below provides the amounts owing to the Secured Lenders, together with the priority of the loans¹. Interest, fees and costs continue to accrue.

Secured Creditor	Priority	Amount Owing
Peakhill	1 st	\$52,549,561, as at May 14, 2023
Cenyard	2 nd	\$22,323,985, as at approximately March 8, 2023
Woodbourne	3 rd	\$8,436,810, as at February 24, 2023

2. Cassels has provided the Receiver with opinions that, subject to the standard assumptions and qualifications contained therein, the real property security granted by the Debtors to Peakhill and Cenyard is valid and enforceable². Cassels has not performed a security review on the security granted by the Debtors to Woodbourne as neither the Primary APS nor the Alternative APS provides for any recovery to Woodbourne.

4.0 Sale Process

4.1 Overview

1. The Sale Process Approval Order, among other things, approved a listing agreement and authorized the Receiver to retain CBRE Limited (“CBRE”) to market the Real Property.
2. A summary of the Sale Process is as follows:

Pre-marketing Phase

- a) Immediately after the Sale Process Approval Order was issued, the Receiver and CBRE assembled information concerning the Real Property, provided by the Debtors and Bentall, to be used for due diligence purposes, including monthly financials and the annual operating budget, tenant leases, copies of service agreements, rent rolls, property tax information and pictures of the Real Property. The Receiver uploaded this information to a virtual data room (“VDR”);

¹ The Receiver will perform a detailed review of the amount owing to Peakhill in due course.

² Copies of these opinions can be provided to the Court on request.

- b) CBRE and/or the Receiver prepared:
- a marketing brochure (the “Offering Summary”);
 - a confidentiality agreement (“CA”);
 - a form of asset purchase agreement (the “Form Agreement”). Pursuant to the terms of the Sale Process, the Receiver recommended that interested parties submit their offers using the Form Agreement and blackline any changes to it. The Form Agreement did not contemplate an RVO structure. A copy of the Form Agreement was made available in the VDR; and
 - a Confidential Information Memorandum (“CIM”), which included a summary of the Real Property and details concerning the Sale Process and which was included in the VDR.

Marketing Phase

- c) CBRE distributed the Offering Summary on March 30, 2023 to over 1,600 prospective purchasers, including local, national and international builders, developers and investors. The acquisition opportunity was also published in local newspapers. CBRE also directly contacted parties that it believed would be interested in the opportunity.
- d) Attached to the Offering Summary was the CA that interested parties were required to sign to access the VDR.
- e) Based on discussions with CBRE and market feedback, the Receiver set a bid deadline of May 18, 2023 (the “Bid Deadline”).

4.2 Sale Process Results

1. A summary of the results of the Sale Process is as follows:
 - 22 parties executed the CA and were provided a copy of the CIM and access to the VDR; and
 - 5 parties submitted offers.
2. A summary of the offers received (the “Offer Summary”) is attached as Appendix “1” to the Confidential Supplement. The Receiver is of the view that the Offer Summary should be filed with the Court on a confidential basis and sealed pending further order of the Court or closing of the Primary Transaction or the Alternative Transaction as the availability of such information to other parties may negatively impact any future sale process for the Real Property if the Primary Transaction or the Alternative Transaction does not close. In particular, any adverse influence on the value of any future offers in respect of the Real Property (should the solicitation of further offers prove necessary) would pose a serious risk to the interests of the Debtors’ stakeholders, including the Secured Lenders. It could also potentially hinder the ability of the Receiver to satisfy its duty to maximize the value obtained for the Real

Property. The Offer Summary contains sensitive information, including the identity of bidders and the value of other bids received for the Real Property, that similarly could adversely impact the future marketability of the Real Property should that become necessary.

3. 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. At the outset of the receivership proceedings, Cenyard advised that it was 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 with Cenyard information with respect to the Sale Process to maintain the integrity of the Sale Process. Accordingly, neither the Receiver nor CBRE provided information to Cenyard regarding the Sale Process and the offers received.

4.3 Discussions with the Purchaser

1. The Purchaser submitted the highest offer for the Real Property. The offer was subject to the typical conditions to closing found in sales in the course of receivership proceedings, and was submitted substantially in the form of the Primary APS. The Primary APS provides for the full repayment of the Peakhill debt in cash and the assumption of a portion of the Cenyard debt by the Purchaser.
2. The Primary APS contemplates completion of the transaction to acquire the Real Property through both an approval and vesting order and a reverse vesting order. CBRE advised the Receiver that it is common for purchasers to acquire land in British Columbia by acquiring the shares of a nominee to avoid paying property transfer tax ("PTT") payable to the Government of British Columbia pursuant to the *Property Transfer Tax Act* (British Columbia). Lawson Lundell confirmed that the purpose of structuring the Primary Transaction this way, as opposed to through a 'conventional' approval and vesting order, was to avoid paying PTT to the Government of British Columbia. In this circumstance, an RVO would be required to vest out all the liabilities held by the Nominee. The potential PTT owing in respect of this transaction is estimated to be approximately \$3.5 million.
3. The Receiver consulted Cassels and considered the recent guidance provided by the Canadian courts in the context of other transactions implemented by way of reverse vesting orders. In that respect, the Receiver notes the following with respect to the Primary Offer.
 - a) *Why is the RVO necessary in this case?*
 - The reason for the RVO is for the Purchaser to avoid paying PTT of approximately \$3.5 million.

- b) *Does the RVO structure produce an economic result at least as favourable as any other viable alternative?*
- The Primary APS and the Alternative APS provide for the same cash consideration. However, under the Primary APS, the Purchaser has increased the amount of the Cenyard debt it is prepared to assume by the amount of the estimated PTT. In the Alternative APS, the Purchaser is assuming less of the Cenyard debt to account for the payment of the PTT.
- c) *Is any stakeholder worse off under the RVO structure than they would have been under any other viable alternative?*
- The Province of British Columbia would not receive the PTT under the terms of the Primary APS. The Receiver has served the Province of British Columbia taxing authority with this Report and the application materials.
 - Under the terms of the Alternative APS, the Purchaser would assume less of the existing Cenyard debt than under the Primary APS, reduced to account for the payment of PTT.
- d) *Does the consideration being paid for the debtor's business reflect the importance and value of the licenses and permits (or other intangible assets) being preserved under the RVO structure?*
- There are no licenses, permits or other intangible assets that are being preserved under the RVO.
4. As reflected above, the Primary Transaction does not include several of the attributes that have been relied upon by the courts in granting reverse vesting orders. Based on the foregoing, the Receiver expressed its reservations regarding the Primary Transaction and the proposed RVO to Lawson Lundell. Lawson Lundell asked for the opportunity to make submissions to the Court on behalf of the Purchaser in support of approval of the Primary APS and the granting of the RVO. Accordingly, the Receiver and Purchaser agreed to the terms of the June 14th Letter. A copy of the June 14th Letter is attached as Appendix "A". The salient terms of the June 14th Letter are as follows:
- a. both the Primary APS and the Alternative APS shall be presented to the Court simultaneously;
 - b. the Purchaser, by its counsel, shall have the responsibility to satisfy the Court that the Primary APS, the Primary AVO and the RVO should be approved;
 - c. with respect to the Primary Transaction, the Receiver's obligation shall be limited to providing the Court with information regarding the Sale Process;

- d. in the event the Court does not approve the Primary Transaction and the Primary APS, the Receiver shall, at the same hearing, seek the Court's approval of the Alternative Transaction, the Alternative APS and the Alternative AVO; and
 - e. the Purchaser shall be obligated to complete the Alternative Transaction if the Court does not approve the Primary Transaction.
5. The two-tier offer structure allows the Purchaser the opportunity to establish that a dual vesting and limited reverse vesting order structure for the purchase and sale of the Purchased Assets is appropriate in the circumstances, but also provides the Receiver, the Court and the Debtors' other stakeholders with the certainty of a binding offer based on a conventional approval and vesting order structure.
 6. The Receiver presents both offers to the Court on this basis.

4.4 The Primary Transaction³

1. A summary of the Primary Transaction is as follows:
 - a) **Purchaser:** Cenyard Southview Gardens Ltd., an entity related to Cenyard.
 - b) **Purchased Assets:**
 - (i) the Shares (which are all the issued and outstanding shares in the capital of the Nominee);
 - (ii) the Real Property;
 - (iii) the Accounts Receivable;
 - (iv) the Leases;
 - (v) the Contracts;
 - (vi) the Chattels;
 - (vii) the Books and Records;
 - (viii) the Intellectual Property;
 - (ix) the Insurance Rights; and
 - (x) the Permits.

³ Defined terms in this subsection of the Report have the meanings provided to them in the Primary APS, the RVO or the Primary AVO, as applicable.

- c) **Purchase Price:** \$72,000,000, payable in the form of:
- i. cash, in an amount sufficient to satisfy all charges in priority to Cenyard's mortgage, including amounts outstanding and secured under the Receiver's charge (pursuant to the Receivership Order) and the Peakhill mortgage, which amount is projected to be approximately \$54.3 million by the Closing Date (being September 10, 2023)⁴; and
 - ii. delivery of a non-interest-bearing demand promissory note by the Purchaser to the Receiver in the amount of the Purchase Price, less the cash amount of the Purchase Price (the "Promissory Note").

The Primary APS provides that the Receiver will assign the Promissory Note to Cenyard following Closing. As a result, Cenyard is effectively credit bidding a portion of its debt.

- d) **Purchase Price Adjustments:** the amount payable by the Purchaser shall be adjusted as at the Closing Date in respect of certain income and expense items but, in any case, the amount payable in cash on Closing by the Purchaser shall be sufficient to satisfy all priority charges in favour of the Receiver and Peakhill;
- e) **Deposit:** \$7.2 million, representing 10% of the purchase price, which remains on deposit in the Receiver's account.
- f) **Excluded Assets:** None, as set out in Schedule "D" of the Primary APS.
- g) **Representations and Warranties:** Consistent with the standard terms of an insolvency transaction, i.e. on an "as is, where is" basis, without any representations, warranties or covenants by the Receiver in respect of the Purchased Assets.
- h) **Closing Date:** The later of: i) the first Business Day following the date that is 60 days following the date on which the Primary AVO and the RVO are granted by the Court; and ii) the first Business Day following the date that is 60 days following the date on which any appeals of or applications to set aside or vary the Primary AVO or the RVO have been finally dismissed, or such other date as agreed in writing by the Parties;
- i) **Material Conditions:** as follows:
- i. on or before the Closing Date, the Primary AVO and the RVO shall have been granted by the Court and such Primary AVO and RVO shall not have been enjoined, restricted, stayed, reversed, dismissed and/or appealed; and
 - ii. as at the Closing Date, there will be no Applicable Law or Order in effect that prohibits the consummation of the Primary Transaction or Closing.

⁴ As noted above, the Receiver will perform a detailed review of the amount owing to Peakhill on closing in due course.

2. Pursuant to the proposed RVO, upon delivery by the Receiver to the Purchaser of a certificate (the “RVO Receiver’s Certificate”), the following shall occur and be deemed to have occurred in the following sequence:
 - a. The Receiver shall incorporate a new entity (“Residual Co”) which shall be added as a respondent in these receivership proceedings. Residual Co will be incorporated with a nominee director (who will be immediately released and discharged from all present and future claims and liabilities relating to the Debtors and the Primary Transaction following closing of the Primary Transaction in accordance with the RVO);
 - b. all of the Nominee’s right, title and interest in and to the Transferred Assets (which includes the Nominee’s entitlement to the Purchase Price) shall be transferred to, and shall vest in, Residual Co;
 - c. all Claims, Encumbrances (which includes the mortgages in favor of the Secured Lenders) and Transferred Liabilities in respect of the Nominee shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in Residual Co, and (i) such Claims and Encumbrances shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the person having possession or control immediately prior to the transfer; (ii) such Claims and Encumbrances equal to the fair market value of the Transferred Assets shall be transferred to and assumed by Residual Co in consideration for the transfer of the Transferred Assets; and (iii) the remaining Claims and Encumbrances, and all Transferred Liabilities shall be transferred to and assumed by Residual Co for no consideration as part of, and to facilitate, the implementation of the Transaction;
 - d. All Claims, Encumbrances and Transferred Liabilities in respect of the Nominee shall be irrevocably and forever expunged, released and discharged as against the Purchaser, the Nominee and the Retained Assets;
 - e. Without limiting the prior paragraph, any and all security registrations against the Nominee (which as of the date of this Report are in favour of the Secured Lenders) shall be forever released and discharged as against the Nominee, and all such security registrations shall attach to the Transferred Assets vested in Residual Co and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by Residual Co of such Security Registrations; and
 - f. The Nominee shall cease to be a Respondent in these proceedings and shall be deemed released from the purview of all Orders of this Court granted in respect of the within proceedings, save and except for the RVO.

3. Pursuant to the Primary AVO, upon delivery by the Receiver to the Purchaser of a certificate (the “AVO Receiver’s Certificate”), all of the right, title and interest of the LP and the GP in and to the Purchased Assets shall vest absolutely in the Purchaser free and clear of any and all security interest, mortgages, trusts, charges and encumbrances, including the mortgages in favor of the Secured Lenders.
4. A copy of the Primary APS is attached as Appendix “B”. The names of the tenants listed in Schedule F (Leases) to the Primary APS have been redacted from this copy in order to protect their privacy.

4.5 The Alternative Transaction⁵

1. The Alternative Transaction is substantially similar to the Primary Transaction with the material exceptions being:
 - a. the Purchased Assets do not include the Shares;
 - b. it contemplates the Purchaser’s acquisition of the Purchased Assets through a ‘conventional’ approval and vesting order, being the Alternative AVO, as opposed to through both an approval and vesting order and reverse vesting order; and
 - c. the Purchase Price is consistent with the Primary APS but includes a reduction equivalent to the estimated PTT to be paid to the Government of British Columbia on closing of the Alternative Transaction, which is estimated to be approximately \$3.5 million. The amount of the corresponding Promissory Note is to be reduced accordingly.
2. A copy of the Alternative APS is attached as Appendix “C”. The names of the tenants listed in Schedule F (Leases) to the Alternative APS have been redacted from this copy in order to protect their privacy.

4.6 The Receiver’s Recommendation

1. The Receiver recommends that the Court approve a transaction with the Purchaser for the following reasons:
 - a) the Sale Process was conducted in accordance with the Sale Process Approval Order and, in the Receiver’s view, is commercially reasonable;
 - b) the market was widely canvassed by CBRE, an experienced realtor, using strategies commonly used to sell real property, including, but not limited to, direct solicitation of investors, builders, developers and local governments. CBRE solicited interest from local, national and international parties. In the Receiver’s view, CBRE undertook a thorough and commercially reasonable marketing of the Real Property;

⁵ Defined terms in this subsection of the Report have the meanings provided to them in the Alternative APS.

- c) both of the Purchaser's offers provide for a greater recovery than the other offers received in the course of the Sale Process;
- d) Peakhill and Cenyard consent to the Alternative Transaction;
- e) CBRE is of the view that the Purchaser's offers are the best available in the circumstances;
- f) the Purchaser paid a material deposit and the transactions are subject only to the typical conditions to closings found in sales in the course of receivership proceedings;
- g) the purchase price under both the Primary APS and the Alternative APS is consistent with the estimated value range set out in the listing proposals sought from realtors at the commencement of these proceedings, as detailed in the First Report; and
- h) the Receiver does not believe that further time spent marketing the Real Property will result in a superior transaction. CBRE shares this view.

5.0 Distribution

1. Other than amounts outstanding and secured under the Receiver's Charge (as defined in the Receivership Order), the Receiver is not aware of any other claim that may rank in priority to Peakhill's claim. All amounts secured under the Receiver's Charge are to be paid with the closing proceeds.
2. The Receiver is seeking the Court's authority to make a distribution of the transaction proceeds to Peakhill forthwith following closing of the Transaction. The Receiver intends to retain a holdback for the fees of the Receiver and its counsel and costs and other obligations related to these proceedings.

6.0 Overview of the Receiver's Activities

1. The Receiver's activities since the date of the First Report have included, *inter alia*, the following:
 - corresponding with Cassels regarding all aspects of this mandate;
 - corresponding extensively with CBRE regarding the Sale Process and to set a bid deadline;
 - attending Sale Process update calls with CBRE, Peakhill and Woodbourne;
 - reviewing CBRE's Sale Process update reports and discussing same with Peakhill and Woodbourne;
 - reviewing the Offer Summary and corresponding with CBRE, Peakhill and Woodbourne regarding same;

- reviewing the Purchaser's initial offer and corresponding with Cassels regarding same;
- reviewing the other offers submitted in respect of the Real Property;
- corresponding with Lawson Lundell regarding the Purchaser's initial offer;
- reviewing and commenting on several iterations of the Purchaser's offers and reviewing same with Cassels, Peakhill and Woodbourne;
- reviewing and commenting on the Primary APS, the Alternative APS and the respective draft orders;
- reviewing the June 14th Letter and discussing same with Cassels, Peakhill and Woodbourne;
- reviewing Peakhill's preliminary payout statement and corresponding with Peakhill regarding same;
- reviewing certain loan documents between Peakhill and the Debtors and reviewing the Debtors' books and records with respect to same;
- corresponding extensively with Bentall regarding the management of the Real Property including with respect to maintenance and filling vacancies;
- reviewing and approving payments and corresponding with Bentall regarding same;
- reviewing Bentall's monthly reporting;
- corresponding with BFL CANADA Risk and Insurance Services Inc. ("BFL"), the Debtors' insurance broker, regarding additional insurance coverage;
- 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 Next Steps

1. Following closing of a transaction with the Purchaser and making the Distribution, the Receiver intends to return to Court in due course to approve its professional fees and seek its discharge.

8.0 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)(h) 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”



Suite 1100, 225 - 6th Avenue S.W.
Brookfield Place
Calgary, Alberta
Canada T2P1N2
T: 403.269.6900

June 14, 2023

DELIVERED VIA EMAIL

Alexis Teasdale
D: 403.218.7564
F: 403.269.9494
ateasdale@lawsonlundell.com

KSV Restructuring Inc.
220 Bay Street, 13th Floor
PO Box 20
Toronto, Ontario M5J 2W4

Attention: Noah Goldstein

To Noah Goldstein:

Offer to Purchase – Agreement of Purchase and Sale dated for reference June 18, 2023 between KSV Restructuring Inc., in its capacity as Court-appointed receiver and manager of the Receivership Property (the “Receiver”) and 1400854 B.C. Ltd. (the “Purchaser”) via Approval and Vesting Order and limited Reverse Vesting Order (the “Primary Offer”)

Offer to Purchase – Agreement of Purchase and Sale dated for reference June 18, 2023 between the Receiver and the Purchaser via Approval and Vesting Order (the “Secondary Offer”, and together with the Primary Offer, the “Offers”)

We refer to the Primary Offer and the Secondary Offer, which are made to the Receiver in the context of the sale process for the Receivership Property (as that term is defined in the Primary Offer and the Secondary Offer) described in the Receiver’s First Report and approved by the Supreme Court of British Columbia (the “**Court**”) on March 23, 2023 (the “**Sale Process**”).

The purpose of this letter is to set out the terms on which the Purchaser makes, and the Receiver agrees to proceed in respect of, the Offers. The Purchaser acknowledges and agrees that a copy of this letter will be included as an Appendix to the Receiver’s report to the Court filed in connection with the application to approve a transaction pursuant to either the Primary Offer or the Secondary Offer.

On behalf of the Purchaser, we acknowledge and agree that:

1. The Receiver shall present both Offers to the Court simultaneously;
2. We, as counsel for the Purchaser, shall have the burden of satisfying the Court that the Primary Offer and the associated Approval and Vesting Order with respect to certain of the Receivership Property and the limited Reverse Vesting Order with respect to the

Nominee and the Property (as those terms are defined in the Primary Offer) (collectively, the “**RVO Transaction**”) should be approved;

3. With respect to Court approval of the RVO Transaction, the Receiver’s obligation shall be limited to providing the Court with information regarding the Sale Process. While the Receiver will not actively oppose the approval of the RVO Transaction, the Receiver shall not be responsible for satisfying the Court that the RVO Transaction is appropriate or should be approved, and shall not be obliged to actively support the approval of the RVO Transaction. We confirm that the Receiver is an officer of the Court and that nothing in this letter shall prevent or restrict the Receiver or its counsel from answering any question by the Court regarding its position with respect to the RVO Transaction, even if the answer to such question may be considered by the Court in deciding not to approve the RVO Transaction;
4. In the event the Court declines to approve the Primary Offer and grant the associated Approval and Vesting Order and limited Reverse Vesting Order, the Receiver shall (by its counsel) at the same hearing ask the Court to approve in the alternative the Secondary Offer and grant the Approval and Vesting Order in substantially the form attached to the Secondary Offer; and
5. For the avoidance of doubt, if the Court declines to approve the RVO Transaction, the Purchaser is and remains obliged to complete the transaction contemplated by the Secondary Offer in accordance with the terms thereof.

This two-tier offer structure allows the Purchaser the opportunity to establish that a dual vesting and limited reverse vesting order structure for the purchase and sale of the Receivership Property is appropriate in the circumstances, but also to provide the Receiver, the Court, and the Debtors’ other stakeholders with the certainty of a binding offer based on a conventional approval and vesting order structure.

Yours truly,



Alexis Teasdale

AET/aet

Encls.

cc. Client – via email
Jack M. Yong (Lawson Lundell LLP) – via email

Appendix “B”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated for reference this 14 day of June, 2023

BETWEEN:

KSV RESTRUCTURING INC., in its capacity as Court-appointed receiver and manager of the Receivership Property

(the “**Receiver**”)

-and-

CENYARD SOUTHVIEW GARDENS LTD.

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

WHEREAS:

- A. On February 16, 2023, the Supreme Court of British Columbia (the “**Court**”) pronounced an Order (the “**Receivership Order**”), appointing the Receiver as receiver and manager, without security of all of the assets, undertakings, and businesses of the Debtors as they relate to the Property, together with the Property itself, and including the proceeds thereof (collectively, the “**Receivership Property**”) pursuant to subsection 243(1) of the BIA and section 39 of the *Law and Equity Act* (British Columbia).
- B. On March 23, 2023, the Court pronounced an Order authorizing and directing the Receiver to carry out a sale process for the solicitation of offers to purchase all or substantially all of the Property (the “**Sale Process**”).
- C. The Receiver has selected the Purchaser as the successful bidder in accordance with the Sale Process.
- D. Subject to Court approval, the Receiver wishes to sell and transfer to the Purchaser, and the Purchaser wishes to purchase and acquire, the Property.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**Accounts Receivable**” means all amounts and monetary obligations owing to the Debtors by the Tenants pursuant to the Leases that are outstanding as of the Closing Date.

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

“**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to Sections 3.3 to 3.5.

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

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

“**Approval and Vesting Order**” means an approval and vesting order of the Court, pursuant to which the Transaction is approved by the Court and pursuant to which all right, title and interest of the Debtors in the Purchased Assets shall be vested absolutely in and to the Purchaser, or its assignee pursuant to Section 11.12, on Closing, substantially in the form attached hereto as **Schedule “A”**.

“**Assignment and Assumption of Contracts**” means an assignment and assumption of the Contracts, including any renewals, extensions, and amendments to same, to the extent that they are assignable without consent, to be delivered on Closing pursuant to Sections 6.1 and 6.2.

“**Assignment and Assumption of Intangible Assets**” means an assignment and assumption of the Accounts Receivable, Books and Records, Intellectual Property, Permits and Insurance Rights, to be delivered on Closing pursuant to Sections 6.1 and 6.2.

“**Assignment and Assumption of Leases**” means an assignment and assumption of the Leases and any subleases of the Leases, in each case as amended, renewed, extended or otherwise varied from time to time, to be delivered on Closing pursuant to Sections 6.1 and 6.2.

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

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

“**Buildings**” means all of the buildings, structures and fixed improvements located on, in or under the Lands, and improvements and fixtures contained in or on such buildings and structures used in the operation of same, but excluding: (i) improvements and fixtures not owned by the Debtors; and (ii) those improvements and fixtures that are removable by a Tenant pursuant to a Lease.

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

“**Chattels**” means those tools, machinery, equipment, inventory and supplies located at the Property and owned by the Debtors and used exclusively in connection with the operation, use, enjoyment, maintenance or management of the Property and as listed in **Schedule “B”** hereto.

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

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

“**Closing Date**” means the date that is the later of: (i) the first Business Day following the date that is 60 days following the date on which the Approval and Vesting Order and the Reverse Vesting Order are granted by the Court; and (ii) the first Business Day following the date that is 60 days following the date on which any appeals of or applications to set aside or vary the Approval and Vesting Order or the Reverse Vesting Order have been finally dismissed, or such other date as agreed in writing by the Parties.

“**Closing Documents**” means the agreements, instruments and other documents to be delivered by the Receiver to the Purchaser or the Purchaser’s Solicitors pursuant to Section 6.1 and the agreements, instruments and other documents to be delivered by the Purchaser to the Receiver or the Receiver’s Solicitors pursuant to Section 6.2.

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

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

“**Contracts**” means those contracts listed in **Schedule “C”** hereto.

“**Court**” means the Supreme Court of British Columbia.

“**Court Approval Condition**” shall have the meaning set out in Section 4.1.

“**Debtors**” means Southview Gardens BT Ltd., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd.

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

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

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

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

“**Final Statement of Adjustments**” has the meaning set out in Section 3.5 hereto.

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

“**GST**” means goods and services tax, harmonized sales tax, value added or similar and other tax payable pursuant to the *Excise Tax Act* (Canada).

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

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

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

“Interim Statement of Adjustments” has the meaning set out in Section 3.5 hereto.

“Lands” means the lands and premises in Vancouver, British Columbia legally described as Lot 14, District Lot 334, Plan 13993, PID: 007-982-160.

“Leases” means the leases and agreements to lease, binding offers to lease and any other rights or licences to use or occupy any part of the Property between the Debtors or the Debtors’ duly authorized agent, as applicable, as landlord and the Tenants listed in **Schedule “F”** hereto as of the Closing Date.

“Limited Partnership” means Southview Gardens Limited Partnership.

“Nominee” means Southview Gardens BT Ltd.

“Outside Date” means September 30, 2023, or such later date as the Parties may agree in writing.

“Permits” means the development, planning or other permits and/or licences listed in **Schedule “G”** hereto.

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

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

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

“Property” means collectively the Lands and Buildings.

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

“Purchased Assets” means all the right, title and interest of the Limited Partnership and Southview Gardens Properties Ltd., if any, in, to and under:

- (a) the Shares;
- (b) the Property;

- (c) the Accounts Receivable;
- (d) the Leases;
- (e) the Contracts;
- (f) the Chattels;
- (g) the Books and Records;
- (h) the Intellectual Property;
- (i) the Insurance Rights; and
- (j) the Permits,

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

“Purchase Price” means \$72,000,000.00, which shall be exclusive of GST and transfer taxes where applicable.

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

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

“Receiver’s Broker” means CBRE Limited.

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

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

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

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

“Released Persons” means the Receiver, the Receiver’s Broker, and the directors, officers, employees, agents, professional advisors, successors and assigns of either of the foregoing.

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

- (a) the Property;

- (b) the Accounts Receivable;
- (c) the Leases;
- (d) the Contracts;
- (e) the Chattels;
- (f) the Books and Records;
- (g) the Intellectual Property;
- (h) the Insurance Rights; and
- (i) the Permits,

and all Claims and Encumbrances against the Nominee's interest in the property listed in paragraphs (a) through (i) above are vested in a new entity incorporated for that purpose.

"Sale Process" shall have the meaning set out in the Recitals hereto.

"Security Deposits" means money paid, or value otherwise given, by or on behalf of a Tenant to the Debtors or the Receiver, as applicable, to be held as security for any liability or obligation of that Tenant under a Lease.

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

"Tenants" means all Persons or parties having a right to occupy any rentable area of the Property pursuant to a Lease.

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

1.2 Schedules

The following schedules attached hereto form part of this Agreement:

- (a) Schedule "A" – Approval and Vesting Order;
- (b) Schedule "B" – Chattels;
- (c) Schedule "C" – Contracts;
- (d) Schedule "D" – Excluded Assets;
- (e) Schedule "E" – Intellectual Property;
- (f) Schedule "F" – Leases;

- (g) Schedule “G” – Permits;
- (h) Schedule “H” – Permitted Encumbrances; and
- (i) Schedule “I” – Reverse Vesting Order.

1.3 Terms of Reference

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

1.4 Interpretation Not Affected by Headings

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

1.5 Currency

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

1.6 Gender and Number

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

1.7 Date for Any Action

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

1.8 Time

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

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

2.1 Purchase and Sale of the Purchased Assets

Upon and subject to the terms and conditions of this Agreement, the Receiver agrees to sell, and the Purchaser agrees to purchase, the Purchased Assets for the Purchase Price, subject only to the Permitted Encumbrances, and all other Encumbrances shall (a) be discharged and released as required by the Approval and Vesting Order, and (b) with respect to the Nominee's interest, if any, in the Property, the Accounts Receivable, the Leases, the Contracts, the Chattels, the Books and Records, the Intellectual Property and the Insurance Rights, vested out thereof as required by the Reverse Vesting Order. This Agreement shall be completed on the Closing Date at the offices of the Receiver's Solicitors subject to the terms and conditions of this Agreement.

2.2 Binding Agreement

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

2.3 Acknowledgement of Purchaser as to Condition of the Purchased Assets

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

- (a) the Purchased Assets are being sold and purchased and the Transaction is being effected on an "as-is, where-is" basis, without any representation, warranty or covenant by the Receiver, the Debtors or any other Person, other than as set out in this Agreement;
- (b) the Receiver makes no representations or warranties, other than and only to the extent of the representations and warranties set out in Section 5.1, of any nature whatsoever with respect to any confidential information or documentation disclosed to the Purchaser, nor with respect to the Purchased Assets, including, without limitation, title thereto and/or the state of any Encumbrances or the Transaction, including, without limitation: (i) the structural integrity or any other aspect of the physical condition of any Building; (ii) the conformity of any Building to any plans or specifications (including, without limitation, any plans and specifications that may have been or which may be provided to the Purchaser); (iii) the conformity of the Property to past, current or future applicable zoning or building code requirements or other Applicable Laws; (iv) the existence of soil instability, past soil repairs, soil additions or conditions of soil fill or any other matter affecting the stability or integrity of the Lands, or any Building situated on or as part of any Property; (v) the sufficiency of any drainage; (vi) whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area; (vii) the existence or non-existence of underground and/or above

ground storage tanks; (viii) the availability of public utilities, access, parking and/or services for the Property; (ix) the fitness or suitability of the Property for occupancy or any intended use (including matters relating to health and safety) and the fitness and suitability for use of any of the Chattels; (x) the potential for further development of the Property; (xi) the existence of land use, zoning or building entitlements affecting the Property; (xii) the presence, release or use of any Hazardous Substance in, under, on or about the Property or any neighbouring lands; and (xiii) the conformity or compliance of the Purchased Assets to any municipal by-laws, including those relating to the preservation of heritage, cultural or historical property (collectively, the “**Property Conditions**”);

- (c) as part of the Purchaser’s agreement to purchase the Purchased Assets and to accept the Purchased Assets in the condition set out in this Section 2.3, and not as a limitation on such agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Purchaser might have against the Receiver and/or the Debtors pursuant to any warranty, express or implied, of any kind or type relating to the Purchased Assets or any other assets, the Property Conditions or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes, without limitation, waiver of express warranties, implied warranties, any warranties at law and/or in equity, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and Claims of every kind and type, including, without limitation, Claims regarding defects, whether or not discoverable, product liability Claims or similar Claims, and to all other extent or later created or conceived of strict liability or strict liability type Claims and rights;
- (d) none of the Receiver, the Receiver’s Broker or the Debtors shall be responsible or liable for any misrepresentation, lack of disclosure or incorrect or incomplete disclosure of any nature whatsoever or failure to investigate the Purchased Assets on the part of any broker or sales agent, or any other purported or acknowledged agent, representative, contractor, consultant, or employee of the Receiver, the Debtors, or any third party;
- (e) the Receiver and/or the Debtors shall not be required to produce any abstract of title, deed or documents or copies thereof or any evidence as to title; and
- (f) the transfer of title to the Purchased Assets may be subject to certain work orders, municipal requirements, including building or zoning by-laws and regulations, easements for hydro, gas, and/or telephone affecting the Purchased Assets, and like services to the Property, and restrictions and covenants which run with the Lands, including but not limited to the Permitted Encumbrances. Without limiting the foregoing, the Receiver and the Debtors shall not be responsible for rectification of any matters disclosed by any Governmental Authority.

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

2.4 Receiver's Capacity

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

ARTICLE 3 PURCHASE PRICE AND ADJUSTMENTS

3.1 Purchase Price

On Closing, and in the manner set out in Section 11.14 herein, the Purchaser shall pay to the Receiver:

- (a) the Purchase Price, less the Deposit, as follows:
 - (i) by payment of \$53,000,000.00, less the Deposit, as adjusted in accordance with Sections 3.4 and 3.5; and
 - (ii) by the delivery of a non-interest-bearing demand promissory note by the Purchaser to the Receiver in the amount of \$19,000,000.00, as adjusted in accordance with Section 3.4(g) (the "**Promissory Note**"); and
- (b) any and all other amounts payable pursuant to the Closing Documents.

3.2 Deposit

The Parties acknowledge that:

- (a) the Purchaser has remitted \$7,200,000 to the Receiver which will be held by the Receiver in an interest-bearing account as a deposit (the "**Deposit**") to be applied on account of the Purchase Price at Closing;
- (b) the Deposit will only be refundable to the Purchaser if: (i) this Agreement is terminated prior to Closing by mutual written consent of the Parties; (ii) the Court Approval Condition is not satisfied or waived by the Outside Date and the Purchaser is not in default hereunder or has remedied any such default by the Purchaser hereunder within three Business Days of notice from the Receiver of the occurrence of such default; (iii) Closing does not occur by the Outside Date as a result of a breach of this Agreement by the Receiver and the Purchaser is not in default hereunder or has remedied any, such default by the Purchaser hereunder within three Business Days of notice from the Receiver of the occurrence of such default; or (iv) this Agreement is terminated pursuant to Section 7.2(b)(ii) and the Purchaser is not in default hereunder or has remedied any, such default by the Purchaser hereunder within three Business Days of notice from the Receiver of the

occurrence of such default. Otherwise, if Closing does not occur by the Outside Date or if the Purchaser terminates this Agreement pursuant to Section 10.1(c), the Deposit (and any interest accrued thereon) will be irrevocably forfeited to the Receiver and will be non-refundable. For greater certainty, such forfeiture of the Deposit (and any interest accrued thereon) to the Receiver shall be in addition to and not in substitution of any remedy the Receiver may have by reason of such default; and

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

3.3 General Adjustments

- (a) Except for those adjustments expressly provided for in Sections 3.4 and 3.5 (the “**Adjustments**”), there shall not be any further adjustments to the Purchase Price.
- (b) Subject to the Transaction closing as contemplated herein, the Adjustments shall be made as of the Adjustment Date on an accrual basis. From and after the Adjustment Date, the Purchaser shall be responsible for all expenses, including any expenses assumed by the Purchaser under any assignment and assumption agreements, and shall be entitled to all revenue from the Purchased Assets. The Receiver and the Debtors shall be responsible for all expenses and entitled to all revenue from the Purchased Assets for that period ending on the Adjustment Date, excluding Rent Receivables.
- (c) The provisions of this Section 3.3 shall not merge on, but shall survive, Closing.

3.4 Specific Adjustments

The Parties hereby acknowledge and agree that:

- (a) all Prepaid Expenses, rent, operating costs and recoveries, realty taxes, water, sewer, local improvement rates and charges, utility deposits, and other applicable income and expense items and adjustments (other than the Security Deposits) established by usual practice in the City of Vancouver for the purchase and sale of a similar property shall be apportioned and adjusted to the Closing Date (the day itself to be apportioned to the Purchaser) such that the Receiver will bear and pay all expenses and receive all income related to the Purchased Assets prior to the Closing Date and the Purchaser will bear and pay all expenses and receive all income related to the Purchased Assets from and after and including the Closing Date;
- (b) any Accounts Receivable, with a reduction to 95% of total Accounts Receivable to account for bad debts, shall be adjusted in favour of the Receiver. From and after the Closing Date, the Accounts Receivable shall be the property of the Purchaser;

- (c) in the event that there are any realty or business tax appeals for the calendar year prior to the calendar year in which the Closing occurs, the Purchaser shall, at its option, be entitled to take over such appeals and shall be entitled to receive any payment resulting therefrom, provided that the Purchaser shall make any reconciliation payments to Tenants in respect of any overpayment of realty tax contributions in respect of such prior year. In the event there are realty or business tax appeals for the calendar year in which Closing occurs for the Property, the Purchaser may, at its option, take over such appeals and any payments received resulting therefrom shall be paid to the Purchaser after, firstly, payment to Tenants in possession who have overpaid realty tax contributions as shown by the outcome of the appeals. To the extent the Receiver receives any of the aforementioned payments on or after the Closing Date in respect of realty or business tax appeals for any year prior to the 2023 calendar year, it shall forthwith remit them to the Purchaser, and the Purchaser shall make any reconciliation payments to Tenants in possession in respect of any overpayment of realty tax contributions in respect of such prior years;
- (d) the Purchaser shall be entitled to a credit for: (i) the value of all Security Deposits actually paid by Tenants that would ordinarily be held by the Receiver pursuant to the terms of the applicable Lease; (ii) any pre-paid rents attributable to periods from and after the Closing Date and actually paid by Tenants, notwithstanding that such Security Deposits and rents may not be held by the Receiver as of the Closing Date; (iii) the Receiver's pro-rata share of property taxes for the 2023 calendar year; (iv) any property taxes, arrears thereof and interest accruing thereon remaining unpaid as of the Adjustment Date for any previous calendar years; and (v) all other amounts that would ordinarily be adjusted for in a typical commercial real estate transaction between sophisticated parties;
- (e) from and after the Closing Date, the Purchaser shall provide to the Receiver and its auditors, during normal business hours at any time and from time to time upon reasonable prior notice to the Purchaser, ongoing access to the accounting books, files, records and information of the Purchaser relating to the Purchased Assets, for the purpose of calculating or verifying the amount of any Adjustments;
- (f) the amount payable by the Purchaser under Section 3.1(a)(i) shall be adjusted as at the Closing Date to an amount that will be sufficient to satisfy all priority charges in favour of the Receiver and the first-ranking mortgagee on title to the Lands, provided that such amount, after adjustment, shall not exceed an amount equal to the Purchase Price less the Deposit, and adjusted under Sections 3.4(a), (b), (c), (d) and (e). For the avoidance of doubt, the amount payable in cash on Closing by the Purchaser, together with the Deposit, shall be in an amount no less than that required to satisfy all priority charges of the Receiver and the first-ranking mortgagee on title to the Lands; and
- (g) the amount of the Promissory Note shall be adjusted as at the Closing Date by an amount corresponding to the amount of adjustment in Section 3.4(f), such that the

Purchase Price (as adjusted under Sections 3.4(a), (b), (c), (d) and (e)) remains unchanged.

The provisions of this Section 3.4 shall not merge on, but shall survive, Closing.

3.5 Statement of Adjustments

- (a) The Receiver shall carry out an interim accounting and adjustment and prepare and deliver to the Purchaser at least ten (10) Business Days prior to the Closing Date a statement setting out the Receiver's good faith estimate of all adjustments (the "**Interim Statement of Adjustments**") to be made for the Transaction.
- (b) Within thirty (30) days following the Closing Date, the Receiver shall prepare and deliver to the Purchaser a final statement of all adjustments and payments (the "**Final Statement of Adjustments**"), on the basis of the information available within that period, to be made for the Transaction.
- (c) The Receiver shall make available to the Purchaser all information reasonably necessary, including the Books and Records, for the Purchaser to understand and confirm the calculations in the Interim Statement of Adjustments and the Final Statement of Adjustments.
- (d) If the Purchaser wishes to dispute the Final Statement of Adjustments, the Purchaser must send a notice indicating its dispute in accordance with Section 11.13 within ten (10) Business Days of receipt of the Final Statement of Adjustments. If no such notice is received by the Receiver within the ten (10) Business Days, the Purchaser shall be deemed to have irrevocably accepted and agreed to the accuracy of the Final Statement of Adjustments.
- (e) If: (i) the Purchaser sends a notice pursuant to Section 3.5(d); and (ii) the Parties are unable to agree on the Final Statement of Adjustments within ten (10) days of the delivery of such notice, the Parties agree that an independent third-party appraiser selected by the Receiver (the "**Appraiser**") shall review the Parties' submissions on the Final Statement of Adjustments and shall determine the Adjustments, which determination shall be binding on the Parties. The costs of the Appraiser shall be borne equally between the Parties and the Parties agree to cooperate in good faith and to use commercially reasonable efforts to assist the Appraiser in determining the Adjustments as soon as reasonably practical following the Appraiser's appointment.
- (f) The provisions of this Section 3.5 shall not merge on, but shall survive, Closing.

3.6 Distribution

Following Closing or shortly thereafter, the Receiver shall:

- (a) cause the Purchase Price to be paid, distributed, allocated or credited, as applicable, in accordance with the Approval and Vesting Order, the Reverse Vesting Order and any other order of the Court; and
- (b) assign the Promissory Note to Cenyard Pacific Developments Inc.

The Purchaser acknowledges and agrees that it will not object to any payment, distribution, allocation or credit made pursuant to an order or orders of the Court of all or any part of the Purchase Price.

The provisions of this Section 3.6 shall not merge on, but shall survive, Closing.

ARTICLE 4 CONDITIONS PRECEDENT

4.1 Mutual Conditions

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

- (a) on or before June 13, 2023, the Parties will have settled and attached all schedules listed in Section 1.2 to this Agreement (subject to any revisions to such schedules as are necessary for them to be accurate as of the Closing Date);
- (b) on or before the Closing Date, the Approval and Vesting Order and the Reverse Vesting Order shall have been granted by the Court and such Approval and Vesting Order and Reverse Vesting Order shall not have been enjoined, restricted, stayed, reversed, dismissed and/or appealed (the “**Court Approval Condition**”); and
- (c) as at the Closing Date, there will be no Applicable Law or Order in effect that prohibits the consummation of the Transaction or the Closing.

4.2 Receiver’s Conditions

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

- (a) as at the Closing Date, each representation and warranty of the Purchaser contained in Section 5.3 will be true and correct: (i) as if restated on and as of the Closing Date; or (ii) as if made as of a date specified therein, as of such date;
- (b) on or before the Closing Date, the covenants, obligations, and agreements contained in this Agreement will have been complied with by the Purchaser and not have been breached in any material respect as determined in the sole discretion of the Receiver; and

- (c) as at the Closing Date, the Purchaser will have delivered to the Receiver all items it is required to deliver pursuant to Section 6.2.

4.3 Purchaser's Conditions

The Purchaser's obligation to complete the Transaction is conditional upon the following conditions (the "**Purchaser's Conditions**") being satisfied by:

- (a) as at the Closing Date, each representation and warranty of the Receiver contained in Section 5.1 will be true and correct: (i) as if restated on and as of the Closing Date; or (ii) as if made as of a date specified therein, as of such date;
- (b) on or before the Closing Date, the covenants, obligations, and agreements contained in this Agreement will have been complied with by the Receiver and not have been breached in any material respect; and
- (c) as at the Closing Date, the Receiver will have delivered to the Purchaser all items it is required to deliver pursuant to Section 6.1.

4.4 Satisfaction of Conditions

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

4.5 Waiver of Conditions

- (a) The Mutual Conditions are for the mutual benefit of the Parties and may be waived only with the written agreement of both of the Parties. If any of the Mutual Conditions have not been complied with or waived in the manner described above on or before the Closing Date, either Party may terminate this Agreement by written notice to the other Party in accordance with Section 11.13.
- (b) The Receiver's Conditions are for the exclusive benefit of the Receiver and may be waived by the Receiver in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Receiver may have. If any of the Receiver's Conditions have not been complied with or waived by the Receiver on or before the Closing Date, the Receiver may terminate this Agreement by written notice to the Purchaser in accordance with Section 11.13.
- (c) The Purchaser's Conditions are for the exclusive benefit of the Purchaser and may be waived by the Purchaser in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. If any of the Purchaser's Conditions have not been complied with or waived by the Purchaser on or before the Closing Date, the Purchaser may

terminate this Agreement by written notice to the Receiver in accordance with Section 11.13.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Receiver

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

- (a) has been appointed as the receiver and manager of the Receivership Property pursuant to the Receivership Order of the Court, subject to the Court Approval Condition, has the power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;
- (b) the Receivership Order is in full force and effect as of the date hereof;
- (c) is not and will not be at the Closing a non-resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada); and
- (d) has not taken any steps to sell or encumber the Property (other than entering into this Agreement with the Purchaser) except as previously approved by the Court.

5.2 No Other Representations and Warranties of the Receiver

Except for the representations and warranties of the Receiver contained in Section 5.1, neither the Receiver nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of the Receiver, including any representation or warranty as to the accuracy or completeness of any information regarding the Property furnished or made available to the Purchaser and its representatives or as to the future revenue, profitability or success of the Property, or any representation or warranty arising from statute or otherwise under Applicable Laws.

5.3 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to the Receiver that:

- (a) **Status.** The Purchaser is duly organized and subsisting under the laws of its jurisdiction of organization. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and all other agreements contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement;
- (b) **Authorization.** The execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Purchaser and the consummation of the Transaction contemplated by this Agreement by the Purchaser

have been duly authorized by all necessary corporate action on the part of the Purchaser;

- (c) **No Breach.** Neither the entering into nor the delivery of this Agreement nor the completion by the Purchaser of the Transaction contemplated hereby will conflict with, or constitute a default under, or result in a violation of: (i) any of the provisions of the constating documents or by-laws of the Purchaser; or (ii) any Applicable Laws;
- (d) **No Bankruptcy.** The Purchaser: (i) is not an insolvent person within the meaning of the BIA or the *Winding-up and Restructuring Act* (Canada); (ii) has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof; (iii) has not had any petition for a receiving order and/or for the appointment of a receiver or receiver and manager over its property and/or business presented in respect of it; and (iv) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution;
- (e) **No Broker.** The Purchaser has not retained the services of any real estate broker or agent in connection with the Transaction;
- (f) **Residence.** The Purchaser is not a non-resident of Canada for the purposes of the *Investment Canada Act* (Canada);
- (g) **GST.** The Purchaser is a registrant under the *Excise Tax Act* (Canada); and
- (h) **No Prohibition.** The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada) does not apply in respect of the Purchaser or the Transaction.

5.4 Representations and Warranties of the Purchaser

All of the representations and warranties set out in Sections 5.1 to 5.3 shall not merge on, but shall survive, Closing.

ARTICLE 6 CLOSING DOCUMENTS

6.1 Receiver's Closing Documents

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

- (a) a certified copy of each of the Approval and Vesting Order and the Reverse Vesting Order;

- (b) any updated versions of the Schedules, including Schedule E (Leases), accurate as of the Closing Date;
- (c) the Assignment and Assumption of Leases and all other assignment, assumption and other documents as are required by the terms of the Leases, executed on behalf of the Receiver;
- (d) the Assignment and Assumption of Contracts and all other assignment, assumption and other documents as are required by the terms of the Contracts, executed on behalf of the Receiver;
- (e) the Assignment and Assumptions of Intangible Assets, executed on behalf of the Receiver;
- (f) a notice to all Tenants advising of the sale of the Purchased Assets and directing that all rents payable under the Leases after Closing be paid to the Purchaser or as the Purchaser directs;
- (g) the Interim Statement of Adjustments;
- (h) a certificate of the Receiver confirming that: (i) the representations and warranties set out in Section 5.1 are true and accurate in all material respects; and (ii) the Receiver has complied with all the covenants, obligations, and agreements contained in this Agreement and has not breached the same in any material respect;
- (i) to the extent in the Receiver's possession, control or knowledge (as applicable), all keys and security cards relating to the Purchased Assets and all combinations to vaults and combination locks located at the Property;
- (j) a bill of sale in respect of the Chattels; and
- (k) such other documents as may be required by the Approval and Vesting Order and the Reverse Vesting Order, or reasonably required by the Purchaser to complete the Transaction, in accordance with the terms of this Agreement.

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

6.2 Purchaser's Closing Documents

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

- (a) the Promissory Note;

- (b) the Assignment and Assumption of Leases, and all other assignment, assumption and other documents as are required by the terms of the Leases, executed on behalf of the Purchaser;
- (c) the Assignment and Assumption of Contracts, and all other assignment, assumption and other documents as are required by the terms of the Contracts, executed on behalf of the Purchaser;
- (d) the Assignment and Assumption of Intangible Assets, executed on behalf of the Purchaser;
- (e) a certificate of an officer of the Purchaser (in such capacity and without personal liability) confirming that: (i) the representations and warranties set out in Section 5.3 are true and accurate in all material respects; and (ii) the Purchaser has complied with all the covenants, obligations, and agreements contained in this Agreement and has not breached the same in any material respect;
- (f) a certificate stating that the Purchaser is registered with Canada Revenue Agency for the purposes of GST and setting out the Purchaser's GST registration number; and
- (g) such other documents as may be reasonably required by the Receiver to complete the Transaction in accordance with the terms of this Agreement.

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

ARTICLE 7 OPERATION OF THE PROPERTY

7.1 Operation Before Closing

During the period between the date hereof and Closing (the “**Interim Period**”), subject to the Receivership Order and any other order made by the Court in the Receivership Proceedings, the Receiver shall:

- (a) operate the Property in accordance with its usual business and management practices consistent with its management of the Property prior to entering into this Agreement;
- (b) carry out all routine day-to-day repairs and maintenance of the Property that are its or the Debtors' responsibility under the respective Leases;

- (c) maintain in full force and effect the existing insurance coverage in respect of the Property;
- (d) consult with the Purchaser regarding any commitment, agreement or contract, or modification of any material terms or termination of any of the Contracts, Permitted Encumbrances, Permits, or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets, but for the avoidance of doubt, the Receiver shall not be bound to follow or agree to the requests of the Purchaser;
- (e) promptly notify the Purchaser if the Receiver becomes aware that, after the date of this Agreement, any of its representations or warranties in this Agreement become untrue or incorrect or if any covenants, terms or conditions in this Agreement are breached or cannot be performed; and
- (f) grant to the Purchaser and its authorized representatives the right to enter upon the Property during business hours upon reasonable notice (which, in respect of those portions of the Property that are the subject of Leases, shall be such notice as is required by such Leases and any statutory notice as may be required) for the purposes of carrying out such inspections, examinations, tests and surveys, including soil tests, as the Purchaser may deem necessary; provided that the Purchaser shall indemnify and save harmless the Receiver from any and all loss, cost or damage suffered as a result of the Purchaser exercising its rights pursuant to this clause.

7.2 Damage Before Closing

- (a) The Purchased Assets shall be at the risk of the Debtors until Closing.
- (b) If any loss, damage or expropriation occurs before Closing to any part of the Purchased Assets: (i) in respect of which the cost of repair is more than 10% of the Purchase Price, or if such repair will take more than 6 months, all as determined by an arm's length, independent architect, engineer or other qualified expert engaged by the Receiver; or (ii) which entitles Tenants occupying in excess of 15% of the rentable areas of the Property to terminate their Leases, within 15 Business Days after disclosure to the Purchaser by the Receiver of the loss or damage and the extent thereof, the Purchaser, at its option, shall by notice in writing to the Receiver (the "**Election Notice**") elect either:
 - (i) to complete the purchase of such Purchased Asset(s), in which event the insurance proceeds payable in respect of such damaged Purchased Asset(s) shall be assigned or paid to the Purchaser and the Purchase Price shall be reduced by an amount equal to any deficiency in insurance proceeds arising from any co-insurance relating to such insurance policy or for any other reason; or
 - (ii) not to complete the purchase of such Purchased Asset(s), in which case this Agreement will terminate with immediate effect.

- (c) If the Purchaser fails to deliver the Election Notice, it will be deemed to elect to complete the purchase of the Purchased Assets in accordance with Section 7.2(b)(i).
- (d) If loss or damage to any Buildings that does not trigger the rights set out in Section 7.2(b) occurs, the Purchaser shall have no right to terminate this Agreement, but shall be entitled to all proceeds of insurance in respect of such loss or damage and the Purchase Price shall be reduced by the value of any deductibles in respect of such loss or damage and an amount equal to any deficiency in insurance proceeds arising from any co-insurance relating to such insurance policy or for any other reason, and the Parties shall complete the Transaction.

ARTICLE 8 RELEASE

8.1 Release

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

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

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

ARTICLE 9 COVENANTS AND OTHER AGREEMENTS

9.1 Approval of the Court

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

9.2 Transfer Taxes

The Purchaser will promptly pay any applicable transfer taxes and/or GST directly to the appropriate taxing Governmental Authority, or promptly reimburse the Receiver upon demand and delivery of proof of payment, all applicable transfer taxes and/or GST that are properly payable by the Purchaser under Applicable Laws in connection with this Agreement and the transactions contemplated herein and the other Closing Documents and the transactions contemplated therein. This obligation shall survive Closing.

9.3 Post-Closing Marketing and Tenant Communications.

The Purchaser will coordinate with the Receiver, acting reasonably the timing and manner of communicating the completion of the Transaction to the Tenants and shall take into account the Receiver's comments and recommendations in respect of same.

9.4 Non-assignable Assets

If any of the Purchased Assets are not transferable without consent of a third party by the terms of the applicable instruments, the Receiver shall use commercially reasonable efforts to obtain such consent prior to the Closing Date and, if such consent is not obtained by the Closing Date, the Receiver shall use commercially reasonable efforts to obtain an Order in the Receivership Proceedings transferring or assigning, as applicable, such Purchased Assets to the Purchaser. For certainty, any failure to obtain the consent of any such third party will not constitute a default of the Receiver nor will it entitle the Purchaser to terminate this Agreement.

ARTICLE 10 TERMINATION

10.1 Termination of this Agreement

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

- (a) by mutual written consent of the Parties; or
- (b) subject to Section 4.4, in accordance with Section 4.5;
- (c) by the Purchaser, upon written notice to the Receiver in accordance with Section 11.13.

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

ARTICLE 11 GENERAL

11.1 Obligations as Covenants

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

11.2 Transaction Costs

Subject to Section 3.5(e), each Party shall bear its own fees and expenses in respect of the Transaction, including, without limiting the generality of the foregoing, the fees and expenses of their respective accountants and auditors in preparing or reviewing, as the case may be, the Interim Statement of Adjustments and the Final Statement of Adjustments.

11.3 Commission

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

11.4 Applicable Law

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

11.5 Time of the Essence

Time shall be of the essence of this Agreement.

11.6 Further Assurances

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

11.7 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the Parties, constitute the entire agreement between the Parties pertaining to the Transaction provided for herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto. There are no other warranties or representations and no other agreements between the Parties in connection with the agreement of purchase and sale provided for herein, except as specifically set forth in this Agreement or the Schedules attached hereto. No supplement, modification or waiver

or termination of this Agreement shall be binding unless executed in writing by the Parties in the same manner as the execution of this Agreement.

11.8 Waiver

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

11.9 Solicitors and Agents and Tender

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

11.10 Merger

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

11.11 Successors and Assigns

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

11.12 Assignment

The Purchaser shall have the right to assign its interest hereunder to a related party of the Purchaser, provided the assignee agrees by an assignment and assumption agreement to be bound by the terms of this Agreement. Any such assignment shall not however release the Purchaser of its obligations under this Agreement.

11.13 Notice

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

- (a) Receiver:

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

Attn: Jordan Wong
Email: jwong@ksvadvisory.com

copy to:

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

Attn: Vicki Tickle and Forrest Finn
Email: vtickle@cassels.com
ffinn@cassels.com

(b) Purchaser:

Cenyard Southview Gardens Ltd.
4351 Erwin Drive
West Vancouver, BC V7V 1H7

Attn: Xintai Liu
Email: xt20130228@hotmail.com

copy to:

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

Attention: Will Roberts and Jack Yong
E-Mail: wroberts@lawsonlundell.com
jyong@lawsonlundell.com

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery and if sent by electronic mail, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was sent.

11.14 Delivery in Escrow

All documents, monies and other items required to be delivered at the Closing shall be delivered at the Closing to the Receiver's Solicitors and the Purchaser's Solicitors and shall be placed in escrow and shall not be considered as delivered until such time as the Receiver's Solicitors and

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

11.15 Counterparts; Electronic Transmission

This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same instrument. The Parties agree that this Agreement may be transmitted by electronic transmission via email and that the reproduction of signatures by way of electronic transmission via email will be treated as though such reproduction were executed originals and each Party undertakes to provide the other with a copy of this Agreement bearing original signatures within a reasonable time after the date of execution.

[Signature page follows]

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

CENYARD SOUTHVIEV GARDENS LTD.

Per: _____

Name: Xintai Liu

Title: Director

I have the authority to bind the corporation

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



Per: _____

Name: Noah Goldstein

Title: Managing Director

I have the authority to bind the corporation

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

CENYARD SOUTHVIEW GARDENS LTD.

Per: 
Name: Xintai Liu
Title: Director

I have the authority to bind the corporation

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

Per: _____
Name:
Title:

I have the authority to bind the corporation

Schedule "A"

Approval and Vesting Order

[See attached]

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEAKHILL CAPITAL INC.

PETITIONER

AND:

SOUTHVIEW GARDENS LIMITED PARTNERSHIP, SOUTHVIEW GARDENS BT LTD.,
SOUTHVIEW GARDENS PROPERTIES LTD., ZHEN YU ZHONG, JUNCHAO MO,
COROMANDEL PROPERTIES (2016) LTD., BAYSHORE PROPERTIES (2016) LTD., AND
COROMANDEL HOLDINGS LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

)

)

**/June/2023

)

ON THE APPLICATION of KSV Restructuring Inc., in its capacity as Court-appointed receiver (in such capacity, the “**Receiver**”) of Southview Gardens Limited Partnership (the “**LP**”), Southview Gardens Properties Ltd. (the “**GP**”) and Southview Gardens BT Ltd. (the “**Nominee**”, and together with the LP and the GP, the “**Debtors**”) coming on for hearing on the [●] day of [●], 2023; **AND UPON HEARING** Vicki Tickle, counsel for the Receiver, and those other counsel and parties listed on **Schedule “A”** hereto; **AND UPON READING** the material filed, including the [●] Report of the Receiver (the “**● Report**”), the confidential supplement to the [●] Report (the “**Confidential Supplement**”), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

DEFINITIONS

1. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the Purchase and Sale Agreement dated June ●, 2023 (the “**Sale Agreement**”)

between the Receiver and Cenyard Southview Gardens Ltd. (the “**Purchaser**”), a copy of which is attached as Appendix “●” to the Confidential Supplement.

APPROVAL OF THE TRANSACTION

2. The sale transaction (the “**Transaction**”) contemplated by the Sale Agreement is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such amendments as the Receiver and the Purchaser may agree to. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction, and for the conveyance to the Purchaser of the Purchased Assets.
3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule “B”** hereto (the “**Receiver’s Certificate**”), all of the right, title and interest of the LP and the GP in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from 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 (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated February 16, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”** 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 Purchased Assets.
4. Upon presentation for registration in the Land Title Office for the Land Title District of Vancouver of a certified copy of this Order, together with a letter from Cassels Brock & Blackwell LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed, having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in **Schedule “D”**.
5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver’s Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

6. The Receiver is directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof to the Purchaser.
7. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser: (i) all human resources and payroll information in the company's records pertaining to the Debtors' past and current employees; and (ii) all personal and banking information in the Debtors' records pertaining to Tenants in relation to the Leases and the Accounts Receivable. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.
8. Subject to the terms of the Sale Agreement, possession of the Purchased Assets, including any real property (subject to the Leases), shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on **Schedule "D"**.
9. The Receiver, with the consent of the Purchaser, 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.
10. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtors or any of them now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtors or any of them,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 *Bankruptcy and Insolvency Act* 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.
11. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

12. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
13. Endorsement of this Order by counsel appearing on this application, other than counsel for the Receiver, is hereby dispensed with.

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

Signature of Vicki Tickle
Lawyer for the Receiver

BY THE COURT

REGISTRAR

Schedule "A"

(List of Counsel)

Counsel name/litigant	Party represented

Schedule “B”

**No. VLC-S-S-231065
Vancouver Registry**

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEAKHILL CAPITAL INC.

PETITIONER

AND:

SOUTHVIEW GARDENS LIMITED PARTNERSHIP, SOUTHVIEW GARDENS BT LTD., SOUTHVIEW GARDENS PROPERTIES LTD., ZHEN YU ZHONG, JUNCHAO MO, COROMANDEL PROPERTIES (2016) LTD., BAYSHORE PROPERTIES (2016) LTD., AND COROMANDEL HOLDINGS LTD.

RECEIVER’S CERTIFICATE

A. Pursuant to an Order of the Honourable Justice Loo of the Supreme Court of British Columbia (the “**Court**”) dated February 16, 2023, KSV Restructuring Inc. was appointed as the receiver and manager (in such capacity, the “**Receiver**”) of all the assets, undertakings and businesses of Southview Gardens Limited Partnership (the “**LP**”), Southview Gardens Properties Ltd. (the “**GP**”), and Southview Gardens BT Ltd. 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 all proceeds thereof;

B. Pursuant to an Order of the Court dated June ●, 2023, the Court, among other things, approved the Agreement of Purchase and Sale dated June ●, 2023 (the “**Sale Agreement**”) between the Receiver and Cenyard Southview Gardens Ltd. (the “**Purchaser**”), and the transactions contemplated thereby, and provided for the vesting in the Purchaser of the right, title and interest in the Purchased Assets of the LP and the GP, which vesting is to be effective with respect to the Purchased Assets upon delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, the capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, 2023.

KSV RESTRUCTURING INC., in its capacity as Receiver of Southview Gardens Limited Partnership, Southview Gardens Properties Ltd., and Southview Gardens BT Ltd. as they relate to the Land, together with the Land itself, and the proceeds thereof, and not in its personal capacity.

Per: _____

Name:

Title:

Schedule "C"
Claims to be Deleted/Expunged from Title to the Lands

Land Title Office 3240, 3260 and 3280 East 58 th Avenue PID: 007-982-160	
Registration Number / Charge	Registered Owner
CA7524425 Mortgage	WOODBOURNE CANADA IV GP ULC WB CANADA PARTNERS IV (INT) MF CORP. WB CANADA PARTNERS IV MF, LLC
CA7524426 Assignment of Rents	WOODBOURNE CANADA IV GP ULC WB CANADA PARTNERS IV (INT) MF CORP. WB CANADA PARTNERS IV MF, LLC
CA8598034 Mortgage	PEAKHILL CAPITAL INC.
CA8598035 Assignment of Rents	PEAKHILL CAPITAL INC.
CA8606271 Priority Agreement	PEAKHILL CAPITAL INC.
CA9812473 Mortgage	CENYARD PACIFIC DEVELOPMENTS INC.
CA9812474 Assignment of Rents	CENYARD PACIFIC DEVELOPMENTS INC.
CA9813856 Priority Agreement	CENYARD PACIFIC DEVELOPMENTS INC.
CA9813857 Priority Agreement	CENYARD PACIFIC DEVELOPMENTS INC.

Schedule “D”
Permitted Encumbrances, Easements and
Restrictive Covenants related to the Lands

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown of any of the Lands and the statutory exceptions to title currently applicable to the Lands;
2. A claim of right, title or jurisdiction which may be made or established by any aboriginal peoples by virtue of their status as aboriginal peoples on or over any Lands;
3. Liens for taxes, assessments, rates, duties, charges or levies not at the time due, which related to obligations or liabilities assumed by the Purchaser;
4. The encumbrances listed below with respect to the Lands:
 - (a) Right of Way 548725M in favor of the City of Vancouver;
 - (b) Easement and Indemnity Agreement 551204M in favour of the City of Vancouver;
 - (c) Right of Way 560698M in favour of British Columbia Hydro and Power Authority transferred to Statutory Right of Way GB111848; and
 - (d) Statutory Right of Way GB111848 in favour of B.C. Gas Inc. and British Columbia Hydro and Power Authority.

No. VLC-S-S-231065
Vancouver Registry

IN THE SUPREME COURT OF BRITISH
COLUMBIA

BETWEEN:

PEAKHILL CAPITAL INC.

Petitioner

- and -

SOUTHVIEW GARDENS LIMITED PARTNERSHIP,
SOUTHVIEW GARDENS BT LTD., SOUTHVIEW
GARDENS PROPERTIES LTD., ZHEN YU ZHONG,
JUNCHAO MO, COROMANDEL PROPERTIES
(2016) LTD., BAYSHORE PROPERTIES (2016) LTD.,
AND COROMANDEL HOLDINGS LTD.

Respondents

APPROVAL AND VESTING ORDER

Schedule "B"

Chattels

Nil.

Schedule "C"

Contracts

Item	Contract
1.	Property Management Services Agreement dated January 26, 2017 between Southview Gardens BT Ltd., Southview Gardens Limited Partnership and Bentall Kennedy (Canada) Limited Partnership by its general partner, Bentall Kennedy (Canada) G.P. Ltd.
2.	Waste Management Services Agreement dated March 29, 2021 between BentallGreenOak and Waste Solutions Canada
3.	Pest Control Services Agreement dated May 5, 2021 between Southview Gardens Limited Partnership and Terminix Canada
4.	Fire Inspection Services Agreement dated January 1, 2022 between Southview Gardens Limited Partnership and Elite Fire Protection
5.	Landscaping Services Agreement dated November 15, 2022 between Southview Gardens Limited Partnership and Pereda Gardenscape Services

Schedule "D"

Excluded Assets

Nil.

Schedule "E"

Intellectual Property

Trademarks Canadian Intellectual Property Office			
Trademark	Registration #	Registration Date	Status
Southview Gardens	Not Registered	Not Applicable	Not Registered / Common Law Passing Off

Schedule "F"

Leases

Residential Tenancy Agreements		
	Unit	Tenant
1.	40-001	[REDACTED]
2.	40-002	[REDACTED]
3.	40-003	[REDACTED]
4.	40-004	[REDACTED]
5.	40-005	[REDACTED]
6.	40-006	[REDACTED]
7.	40-007	[REDACTED]
8.	40-008	[REDACTED]
9.	40-009	[REDACTED]
10.	40-010	[REDACTED]
11.	40-011	[REDACTED]
12.	40-012	[REDACTED]
13.	40-013	[REDACTED]
14.	40-014	[REDACTED]
15.	40-015	[REDACTED]
16.	40-016	[REDACTED]
17.	40-017	[REDACTED]
18.	40-018	[REDACTED]
19.	40-019	[REDACTED]
20.	40-020	[REDACTED]
21.	40-021	[REDACTED]
22.	40-022	[REDACTED]
23.	40-023	[REDACTED]

24.	40-024	[REDACTED]
25.	40-025	[REDACTED]
26.	40-026	[REDACTED]
27.	40-027	[REDACTED]
28.	40-028	[REDACTED]
29.	40-029	[REDACTED]
30.	40-030	[REDACTED]
31.	40-031	[REDACTED]
32.	40-032	[REDACTED]
33.	40-033	[REDACTED]
34.	40-034	[REDACTED]
35.	40-035	[REDACTED]
36.	40-036	[REDACTED]
37.	40-037	[REDACTED]
38.	40-038	[REDACTED]
39.	40-039	[REDACTED]
40.	40-040	[REDACTED]
41.	40-041	[REDACTED]
42.	40-042	[REDACTED]
43.	40-043	[REDACTED]
44.	40-044	[REDACTED]
45.	40-045	[REDACTED]
46.	40-046	[REDACTED]
47.	40-047	[REDACTED]
48.	40-048	[REDACTED]
49.	60-049	[REDACTED]
50.	60-050	[REDACTED]

51.	60-051	[REDACTED]
52.	60-052	[REDACTED]
53.	60-053	[REDACTED]
54.	60-054	[REDACTED]
55.	60-055	[REDACTED]
56.	60-056	[REDACTED]
57.	60-057	[REDACTED]
58.	60-058	[REDACTED]
59.	60-059	[REDACTED]
60.	60-060	[REDACTED]
61.	60-061	[REDACTED]
62.	60-062	[REDACTED]
63.	60-063	[REDACTED]
64.	60-064	[REDACTED]
65.	60-065	[REDACTED]
66.	60-066	[REDACTED]
67.	60-067	[REDACTED]
68.	60-068	[REDACTED]
69.	60-069	[REDACTED]
70.	60-070	[REDACTED]
71.	60-071	[REDACTED]
72.	60-072	[REDACTED]
73.	60-073	[REDACTED]
74.	60-074	[REDACTED]
75.	60-075	[REDACTED]
76.	60-076	[REDACTED]
77.	60-077	[REDACTED]

78.	60-078	[REDACTED]
79.	60-079	[REDACTED]
80.	60-080	[REDACTED]
81.	60-081	[REDACTED]
82.	60-082	[REDACTED]
83.	60-083	[REDACTED]
84.	60-084	[REDACTED]
85.	60-085	[REDACTED]
86.	60-086	[REDACTED]
87.	60-087	[REDACTED]
88.	60-088	[REDACTED]
89.	60-089	[REDACTED]
90.	60-090	[REDACTED]
91.	60-091	[REDACTED]
92.	60-092	[REDACTED]
93.	60-093	[REDACTED]
94.	60-094	[REDACTED]
95.	60-095	[REDACTED]
96.	60-096	[REDACTED]
97.	60-097	[REDACTED]
98.	60-098	[REDACTED]
99.	60-099	[REDACTED]
100.	60-100	[REDACTED]
101.	60-101	[REDACTED]
102.	80-102	[REDACTED]
103.	80-103	[REDACTED]
104.	80-104	[REDACTED]

105.	80-105	[REDACTED]
106.	80-106	[REDACTED]
107.	80-107	[REDACTED]
108.	80-108	[REDACTED]
109.	80-109	[REDACTED]
110.	80-110	[REDACTED]
111.	80-111	[REDACTED]
112.	80-112	[REDACTED]
113.	80-113	[REDACTED]
114.	80-114	[REDACTED]
115.	80-115	VACANT
116.	80-116	[REDACTED]
117.	80-117	[REDACTED]
118.	80-118	[REDACTED]
119.	80-119	[REDACTED]
120.	80-120	[REDACTED]
121.	80-121	[REDACTED]
122.	80-122	[REDACTED]
123.	80-123	[REDACTED]
124.	80-124	[REDACTED]
125.	80-125	[REDACTED]
126.	80-126	J [REDACTED]
127.	80-127	[REDACTED]
128.	80-128	[REDACTED]
129.	80-129	[REDACTED]
130.	80-130	[REDACTED]
131.	80-131	[REDACTED]

132.	80-132	[REDACTED]
133.	80-133	[REDACTED]
134.	80-134	[REDACTED]
135.	80-135	[REDACTED]
136.	80-136	[REDACTED]
137.	80-137	[REDACTED]
138.	80-139	[REDACTED]
139.	80-140	[REDACTED]

Schedule "G"

Permits

City of Vancouver Permits			
Type	Number	Issue Date	
Building Permit	BP-2019-01523	May 30, 2019	
Electrical Permit	EP-2014-02779	November 3, 2014	
Electrical Permit	EP-2017-05454	July 24, 2017	
Tree Permit	TP-2017-00852	September 26, 2017	
Tree Permit	TP-2019-00883	October 1, 2019	
Tree Permit	TP-2020-00054	February 27, 2020	
City of Vancouver Business Licenses			
Business Name	License Number / License RSN	Issue Date	Business Type
Southview Gardens BT Ltd.	23-102349 / 4130201	January 3, 2023	Apartment House
Southview Gardens BT Ltd.	23-102350 / 4130202	January 3, 2023	Apartment House
Southview Gardens BT Ltd.	23-102347 / 4130199	January 3, 2023	Apartment House

Schedule “H”

Permitted Encumbrances

1. Right of Way 548725M in favor of the City of Vancouver
2. Easement and Indemnity Agreement 551204M in favour of the City of Vancouver
3. Right of Way 560698M in favour of British Columbia Hydro and Power Authority transferred to Statutory Right of Way GB111848
4. Statutory Right of Way GB111848 in favour of B.C. Gas Inc. and British Columbia Hydro and Power Authority.

Schedule "I"

Reverse Vesting Order

[See attached]

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEAKHILL CAPITAL INC.

PETITIONER

AND:

SOUTHVIEW GARDENS LIMITED PARTNERSHIP, SOUTHVIEW GARDENS BT LTD.,
SOUTHVIEW GARDENS PROPERTIES LTD., ZHEN YU ZHONG, JUNCHAO MO,
COROMANDEL PROPERTIES (2016) LTD., BAYSHORE PROPERTIES (2016) LTD., AND
COROMANDEL HOLDINGS LTD.

ORDER MADE AFTER APPLICATION

APPROVAL AND REVERSE VESTING ORDER

BEFORE THE HONOURABLE)
[MADAM/MR. JUSTICE ●]) ●
)

ON THE APPLICATION of KSV Restructuring Inc., in its capacity as Court-appointed receiver (in such capacity, the “**Receiver**”) of Southview Gardens Limited Partnership (the “**LP**”), Southview Gardens Properties Ltd. (the “**GP**”) and Southview Gardens BT Ltd. (the “**Nominee**”, and together with the LP and the GP, the “**Debtors**”) coming on for hearing on the [●] day of June, 2023; **AND UPON HEARING** Vicki Tickle, counsel for the Receiver, and those other counsel and parties listed on **Schedule “A”** hereto; **AND UPON READING** the material filed, including the [●] Report of the Receiver (the “**● Report**”), the confidential supplement to the [●] Report (the “**Confidential Supplement**”), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court; **AND UPON TAKING** into account the particular circumstances of these proceedings and noting that this Order is granted based on those particular circumstances;

THIS COURT ORDERS AND DECLARES THAT:

DEFINITIONS

1. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the Purchase and Sale Agreement dated June ●, 2023 (the “**Sale Agreement**”) between the Receiver and Cenyard Southview Gardens Ltd. (the “**Purchaser**”), a copy of which is attached as Appendix “**●**” to the Confidential Supplement.

2. In this Order, the following terms shall bear the meaning given to them below:
- (a) “**Claims**” means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing, all Encumbrances;
 - (b) “**Encumbrances**” means (i) any encumbrances or charges created by the Receivership Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on **Schedule “B”** hereto, but excluding the permitted encumbrances, easements and restrictive covenants listed on **Schedule “C”** hereto;
 - (c) “**Liability**” means any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed;
 - (d) “**Receivership Order**” means the Order of the Honourable Justice Loo of the Supreme Court of British Columbia granted in the within proceedings on February 16, 2023;
 - (e) “**Retained Assets**” means all right, title and interest of the Nominee, if any, in and to the Property, the Accounts Receivable, the Leases, the Contracts, the Chattels, the Books and Records, the Intellectual Property, the Insurance Rights, the Permits, and any other assets, property or obligations, which, pursuant to the terms and conditions of the Sale Agreement, remain the property of the Nominee after completion of the Transaction;
 - (f) “**Transferred Assets**” means (i) any contracts other than the Contracts; (ii) any proceedings, claims or causes of action for the benefit of the Nominee and (iii) the Nominee’s entitlement, if any, to the Purchase Price; and
 - (g) “**Transferred Liabilities**” means (i) all Liability of the Nominee arising prior to the Closing Date, including, but not limited to, Liability owed to lenders, service contractors, or third parties of any kind, including Liability under the Contracts, Permits or Leases; (ii) any Liability relating to or arising out of the Transferred Assets; (iii) any Liability of the Nominee for taxes resulting from the Transaction (for the avoidance of doubt this shall not include any GST, property transfer or other taxes payable by the Purchaser in respect of the Transaction pursuant to the Sale Agreement); (iv) all employees, employment agreements, executive personnel agreements, officer or director agreements, employee wages, employee

benefit plans or payments, pension obligations, employee tax withholding obligations, employee health or dental plan obligations, all employee complaints or claims, labour relations board actions or other employee proceedings and similar obligations of the Nominee; (v) all Liability for payment of fees for operation of the Property up to the Closing Date; (vi) any proceedings, claims or actions commenced in any court initiated or threatened against the Nominee; (vii) the costs and expenses and Liability of the Nominee under the within proceedings; (viii) any Liability for a breach of or non-compliance with any applicable law by the Nominee; and (ix) the Liability of the Nominee under the Sale Agreement.

APPROVAL OF THE TRANSACTION

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

VESTING OF ASSETS AND LIABILITIES

4. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule “D”** hereto (the “**Receiver’s Certificate**”), the following shall occur and be deemed to have occurred commencing at the time of delivery of the Receiver's Certificate (the “**Effective Time**”) in the following sequence:
 - (a) The Receiver shall incorporate a new subsidiary (“**Residual Co**”) of the GP, which shall be added as a Respondent in the within proceedings pursuant to paragraph 12 of this Order;
 - (b) All of the Nominee’s right, title and interest in and to the Transferred Assets shall be transferred to, and shall vest absolutely and exclusively, without recourse, in Residual Co;
 - (c) All Claims, Encumbrances, and Transferred Liabilities in respect of the Nominee shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in Residual Co, and (i) such Claims and Encumbrances shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the person having possession or control immediately prior to the transfer; (ii) such Claims and Encumbrances equal to the fair market value of the Transferred Assets shall be transferred to and assumed by Residual Co in consideration for the transfer of the Transferred Assets; and (iii) the remaining Claims and Encumbrances, and all

Transferred Liabilities shall be transferred to and assumed by Residual Co for no consideration as part of, and to facilitate, the implementation of the Transaction;

- (d) All Claims, Encumbrances and Transferred Liabilities in respect of the Nominee shall be irrevocably and forever expunged, released and discharged as against the Purchaser, the Nominee and the Retained Assets;
 - (e) Without limiting subparagraph 4(d), any and all security registrations against the Nominee shall be and are hereby forever released and discharged as against the Nominee, and all such security registrations shall attach to the Transferred Assets vested in Residual Co and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by Residual Co of such Security Registrations; and
 - (f) The Nominee shall cease to be a Respondent in the within proceedings and shall be deemed released from the purview of all Orders of this Court granted in respect of the within proceedings, save and except for this Order.
5. The Receiver and Residual Co are hereby permitted to execute and file articles of incorporation, bylaws, and such other documents or instruments as may be required to permit or enable and effect the incorporation of Residual Co and the Transaction, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the incorporation of Residual Co.
6. This Order shall constitute the only authorization required by the Receiver, the GP, or Residual Co to proceed with the Transaction, including, without limitation, the incorporation of Residual Co and, except as specifically provided in the Sale Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority exercising jurisdiction in respect of the GP or the Nominee is required for the due execution, delivery and performance by the Receiver, the GP, the Nominee, and by Residual Co of the Agreement and the completion of the Transaction.
7. As of the Effective Time:
- (a) the Nominee shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Claims and Encumbrances and the Transferred Liabilities; and
 - (b) the Nominee shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.

8. For greater certainty, any person that, prior to the Effective Time, had a Claim or Encumbrance against the Nominee or its assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Nominee or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, against the Transferred Assets to be administered by the Receiver in Residual Co from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to Residual Co, and nothing in this Order limits, lessens, modifies (other than by change in Debtor) or extinguishes the Claim or Encumbrance of any Person as against the Transferred Assets to be administered by the Receiver in Residual Co.
9. From and after the Effective Time, the Purchaser and/or the Nominee shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Nominee and the Retained Assets of the Claims, Encumbrances and Transferred Liabilities that are transferred to and vested in Residual Co pursuant to this Order.
10. Upon the delivery of the Receiver's Certificate, and upon filing of a certified copy of this Order together with any applicable registration fees, all Governmental Authorities exercising jurisdiction with respect to the Nominee, the Retained Assets, or the Transferred Assets are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and conveyances as may be required to give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Claims and Encumbrances and Transferred Liabilities against or in respect of the Nominee and the Retained Assets, and presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RELEASES

11. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Receiver, its directors, officers, employees, counsel, advisors and representatives, the Purchaser, the Nominee, or the Retained Assets, in any way relating to, arising from or in respect of:
 - (a) the Transferred Assets;
 - (b) any and all Claims or Encumbrances and the Transferred Liabilities against or relating to the Nominee, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - (c) the insolvency of the Nominee prior to the Effective Time;
 - (d) the commencement or existence of these receivership proceedings; or
 - (e) the completion of the Transaction.

12. From and after the Effective Time, the current and former directors, officers, employees, legal counsel and advisors of Residual Co shall be deemed to be forever irrevocably released and discharged from all present and future claims, liabilities, indebtedness, demands, actions or obligations of any kind, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time or undertaken or completed in connection with or pursuant to the terms of this Order in respect of, relating to, or arising out of (i) the Debtors or their business, operations, assets, property and affairs, or (ii) the Transaction.

RESIDUAL CO

13. At the Effective Time, Residual Co shall be substituted as a Respondent in these proceedings in place of the Nominee and the style of cause for these proceedings shall be changed by deleting the Nominee as a Respondent and replacing it with Residual Co as Respondent.
14. The administration of Residual Co shall remain subject to the Court's oversight and these proceedings.
15. In addition to and without limiting the rights and protections afforded to the Receiver pursuant to the Receivership Order, the Receiver and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering Residual Co, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Receiver pursuant to the Receivership Order, any further order granted in these proceedings or the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") shall continue to apply.

MISCELLANEOUS

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

the execution of the Sale Agreement and the implementation of the Transaction shall be binding on any trustee or other administrator in respect of Residual Co and any trustee in bankruptcy or receiver that may be appointed in respect of the Nominee, and shall not be void or voidable by creditors of Residual Co or the Nominee, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment,

fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

18. The Receiver and the Purchaser shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transaction.
19. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Sale Agreement and all amendments thereto, in connection with any dispute involving the Nominee or Residual Co, and to adjudicate, if necessary, any disputes concerning the Nominee or Residual Co related in any way to the Transaction.
20. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

21. Endorsement of this Order by counsel appearing on this application, other than counsel for the Applicant, is hereby dispensed with.

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

Signature of Vicki Tickle
Lawyer for the Receiver

BY THE COURT

REGISTRAR

Schedule "A"

(List of Counsel)

Counsel name/litigant	Party represented

Schedule "B"
Claims to be Deleted/Expunged from Title to the Lands

Land Title Office 3240, 3260 and 3280 East 58 th Avenue PID: 007-982-160	
Registration Number / Charge	Registered Owner
CA7524425 Mortgage	WOODBOURNE CANADA IV GP ULC WB CANADA PARTNERS IV (INT) MF CORP. WB CANADA PARTNERS IV MF, LLC
CA7524426 Assignment of Rents	WOODBOURNE CANADA IV GP ULC WB CANADA PARTNERS IV (INT) MF CORP. WB CANADA PARTNERS IV MF, LLC
CA8598034 Mortgage	PEAKHILL CAPITAL INC.
CA8598035 Assignment of Rents	PEAKHILL CAPITAL INC.
CA8606271 Priority Agreement	PEAKHILL CAPITAL INC.
CA9812473 Mortgage	CENYARD PACIFIC DEVELOPMENTS INC.
CA9812474 Assignment of Rents	CENYARD PACIFIC DEVELOPMENTS INC.
CA9813856 Priority Agreement	CENYARD PACIFIC DEVELOPMENTS INC.
CA9813857 Priority Agreement	CENYARD PACIFIC DEVELOPMENTS INC.

Schedule “C”
Permitted Encumbrances, Easements and
Restrictive Covenants related to the Lands

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown of any of the Lands and the statutory exceptions to title currently applicable to the Lands;
2. A claim of right, title or jurisdiction which may be made or established by any aboriginal peoples by virtue of their status as aboriginal peoples on or over any Lands;
3. Liens for taxes, assessments, rates, duties, charges or levies not at the time due, which related to obligations or liabilities assumed by the Purchaser;
4. The encumbrances listed below with respect to the Lands:
 - (a) Right of Way 548725M in favor of the City of Vancouver;
 - (b) Easement and Indemnity Agreement 551204M in favour of the City of Vancouver;
 - (c) Right of Way 560698M in favour of British Columbia Hydro and Power Authority transferred to Statutory Right of Way GB111848; and
 - (d) Statutory Right of Way GB111848 in favour of B.C. Gas Inc. and British Columbia Hydro and Power Authority.

Schedule “D”

**No. VLC-S-S-231065
Vancouver Registry**

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEAKHILL CAPITAL INC.

PETITIONER

AND:

SOUTHVIEW GARDENS LIMITED PARTNERSHIP, SOUTHVIEW GARDENS BT LTD.,
SOUTHVIEW GARDENS PROPERTIES LTD., ZHEN YU ZHONG, JUNCHAO MO,
COROMANDEL PROPERTIES (2016) LTD., BAYSHORE PROPERTIES (2016) LTD., AND
COROMANDEL HOLDINGS LTD.

RECEIVER’S CERTIFICATE

A. Pursuant to an Order of the Honourable Justice Loo of the Supreme Court of British Columbia (the “**Court**”) dated February 16, 2023, KSV Restructuring Inc. was appointed as the receiver and manager (in such capacity, the “**Receiver**”) of all the assets, undertakings and businesses of Southview Gardens Limited Partnership (the “**LP**”), Southview Gardens Properties Ltd. (the “**GP**”), and Southview Gardens BT Ltd. (the “**Nominee**”, and together with the LP and the GP, the “**Debtors**”), 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 all proceeds thereof;

B. Pursuant to an Order of the Court dated June ●, 2023 (the “**Approval and Reverse Vesting Order**”), the Court, among other things, approved the Agreement of Purchase and Sale dated June ●, 2023 (the “**Sale Agreement**”) between the Receiver and Cenyard Southview Gardens Ltd. (the “**Purchaser**”), and the transactions contemplated thereby, and providing for the occurrence of certain events in the specified sequence upon delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, the capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, 2023.

KSV RESTRUCTURING INC., in its capacity as Receiver of Southview Gardens Limited Partnership, Southview Gardens Properties Ltd., and Southview Gardens BT Ltd. as they relate to the Land, together with the Land itself, and the proceeds thereof, and not in its personal capacity.

Per: _____

Name:

Title:

Appendix “C”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated for reference this 14 day of June, 2023

BETWEEN:

KSV RESTRUCTURING INC., in its capacity as Court-appointed receiver and manager of the Receivership Property

(the “**Receiver**”)

-and-

CENYARD SOUTHVIEW GARDENS LTD.

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

WHEREAS:

- A. On February 16, 2023, the Supreme Court of British Columbia (the “**Court**”) pronounced an Order (the “**Receivership Order**”), appointing the Receiver as receiver and manager, without security of all of the assets, undertakings, and businesses of the Debtors as they relate to the Property, together with the Property itself, and including the proceeds thereof (collectively, the “**Receivership Property**”) pursuant to subsection 243(1) of the BIA and section 39 of the *Law and Equity Act* (British Columbia).
- B. On March 23, 2023, the Court pronounced an Order authorizing and directing the Receiver to carry out a sale process for the solicitation of offers to purchase all or substantially all of the Property (the “**Sale Process**”).
- C. The Receiver has selected the Purchaser as the successful bidder in accordance with the Sale Process.
- D. Subject to Court approval, the Receiver wishes to sell and transfer to the Purchaser, and the Purchaser wishes to purchase and acquire, the Property.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**Accounts Receivable**” means all amounts and monetary obligations owing to the Debtors by the Tenants pursuant to the Leases that are outstanding as of the Closing Date.

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

“**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to Sections 3.3 to 3.5.

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

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

“**Approval and Vesting Order**” means an approval and vesting order of the Court, pursuant to which the Transaction is approved by the Court and pursuant to which all right, title and interest of the Debtors in the Purchased Assets shall be vested absolutely in and to the Purchaser, or its assignee pursuant to Section 11.12, on Closing, substantially in the form attached hereto as **Schedule “A”**.

“**Assignment and Assumption of Contracts**” means an assignment and assumption of the Contracts, including any renewals, extensions, and amendments to same, to the extent that they are assignable without consent, to be delivered on Closing pursuant to Sections 6.1 and 6.2.

“**Assignment and Assumption of Intangible Assets**” means an assignment and assumption of the Accounts Receivable, Books and Records, Intellectual Property, Permits and Insurance Rights, to be delivered on Closing pursuant to Sections 6.1 and 6.2.

“**Assignment and Assumption of Leases**” means an assignment and assumption of the Leases and any subleases of the Leases, in each case as amended, renewed, extended or otherwise varied from time to time, to be delivered on Closing pursuant to Sections 6.1 and 6.2.

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

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

“**Buildings**” means all of the buildings, structures and fixed improvements located on, in or under the Lands, and improvements and fixtures contained in or on such buildings and structures used in the operation of same, but excluding: (i) improvements and fixtures not owned by the Debtors; and (ii) those improvements and fixtures that are removable by a Tenant pursuant to a Lease.

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

“**Chattels**” means those tools, machinery, equipment, inventory and supplies located at the Property and owned by the Debtors and used exclusively in connection with the operation, use, enjoyment, maintenance or management of the Property and as listed in **Schedule “B”** hereto.

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

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

“**Closing Date**” means the date that is the later of: (i) the first Business Day following the date that is 60 days following the date on which the Approval and Vesting Order is granted by the Court; and (ii) the first Business Day following the date that is 60 days following the date on which any appeals of or applications to set aside or vary the Approval and Vesting Order have been finally dismissed, or such other date as agreed in writing by the Parties.

“**Closing Documents**” means the agreements, instruments and other documents to be delivered by the Receiver to the Purchaser or the Purchaser’s Solicitors pursuant to Section 6.1 and the agreements, instruments and other documents to be delivered by the Purchaser to the Receiver or the Receiver’s Solicitors pursuant to Section 6.2.

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

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

“**Contracts**” means those contracts listed in **Schedule “C”** hereto.

“**Court**” means the Supreme Court of British Columbia.

“**Court Approval Condition**” shall have the meaning set out in Section 4.1.

“**Debtors**” means Southview Gardens BT Ltd., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd.

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

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

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

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

“**Final Statement of Adjustments**” has the meaning set out in Section 3.5 hereto.

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

“**GST**” means goods and services tax, harmonized sales tax, value added or similar and other tax payable pursuant to the *Excise Tax Act* (Canada).

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

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

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

“**Interim Statement of Adjustments**” has the meaning set out in Section 3.5 hereto.

“**Lands**” means the lands and premises in Vancouver, British Columbia legally described as Lot 14, District Lot 334, Plan 13993, PID: 007-982-160.

“**Leases**” means the leases and agreements to lease, binding offers to lease and any other rights or licences to use or occupy any part of the Property between the Debtors or the Debtors’ duly authorized agent, as applicable, as landlord and the Tenants listed in **Schedule “F”** hereto as of the Closing Date.

“**Outside Date**” means September 30, 2023, or such later date as the Parties may agree in writing.

“**Permits**” means the development, planning or other permits and/or licences listed in **Schedule “G”** hereto.

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

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

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

“**Primary Offer**” means the Agreement of Purchase and Sale dated for reference the same date as the date of this Agreement between the Receiver and the Purchaser whereby the Nominee, continues to hold all of its right, title and interest in and to the Property, and all Claims and Encumbrances against the Nominee’s interest in the Property are vested in a new entity incorporated for that purpose by way of a limited reverse vesting order to be granted by the Court.

“**Property**” means collectively the Lands and Buildings.

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

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

- (a) the Property;

- (b) the Accounts Receivable;
- (c) the Leases;
- (d) the Contracts;
- (e) the Chattels;
- (f) the Books and Records;
- (g) the Intellectual Property;
- (h) the Insurance Rights; and
- (i) the Permits.

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

“Purchase Price” means \$68,482,000.00, which shall be exclusive of GST and transfer taxes where applicable.

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

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

“Receiver’s Broker” means CBRE Limited.

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

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

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

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

“Released Persons” means the Receiver, the Receiver’s Broker, and the directors, officers, employees, agents, professional advisors, successors and assigns of either of the foregoing.

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

“**Security Deposits**” means money paid, or value otherwise given, by or on behalf of a Tenant to the Debtors or the Receiver, as applicable, to be held as security for any liability or obligation of that Tenant under a Lease.

“**Tenants**” means all Persons or parties having a right to occupy any rentable area of the Property pursuant to a Lease.

“**Transaction**” means the purchase and sale of the Purchased Assets provided for in this Agreement.

1.2 Schedules

The following schedules attached hereto form part of this Agreement:

- (a) Schedule “A” – Approval and Vesting Order;
- (b) Schedule “B” – Chattels;
- (c) Schedule “C” – Contracts;
- (d) Schedule “D” – Excluded Assets;
- (e) Schedule “E” – Intellectual Property;
- (f) Schedule “F” – Leases;
- (g) Schedule “G” – Permits; and
- (h) Schedule “H” – Permitted Encumbrances.

1.3 Terms of Reference

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

1.4 Interpretation Not Affected by Headings

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

1.5 Currency

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

1.6 Gender and Number

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

1.7 Date for Any Action

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

1.8 Time

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

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

2.1 Purchase and Sale of the Purchased Assets

Upon and subject to the terms and conditions of this Agreement, the Receiver agrees to sell, and the Purchaser agrees to purchase, the Purchased Assets for the Purchase Price, subject only to the Permitted Encumbrances, and all other Encumbrances shall be discharged and released as required by the Approval and Vesting Order. This Agreement shall be completed on the Closing Date at the offices of the Receiver’s Solicitors subject to the terms and conditions of this Agreement.

2.2 Binding Agreement

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

2.3 Acknowledgement of Purchaser as to Condition of the Purchased Assets

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

- (a) the Purchased Assets are being sold and purchased and the Transaction is being effected on an “as-is, where-is” basis, without any representation, warranty or covenant by the Receiver, the Debtors or any other Person, other than as set out in this Agreement;

- (b) the Receiver makes no representations or warranties, other than and only to the extent of the representations and warranties set out in Section 5.1, of any nature whatsoever with respect to any confidential information or documentation disclosed to the Purchaser, nor with respect to the Purchased Assets, including, without limitation, title thereto and/or the state of any Encumbrances or the Transaction, including, without limitation: (i) the structural integrity or any other aspect of the physical condition of any Building; (ii) the conformity of any Building to any plans or specifications (including, without limitation, any plans and specifications that may have been or which may be provided to the Purchaser); (iii) the conformity of the Property to past, current or future applicable zoning or building code requirements or other Applicable Laws; (iv) the existence of soil instability, past soil repairs, soil additions or conditions of soil fill or any other matter affecting the stability or integrity of the Lands, or any Building situated on or as part of any Property; (v) the sufficiency of any drainage; (vi) whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area; (vii) the existence or non-existence of underground and/or above ground storage tanks; (viii) the availability of public utilities, access, parking and/or services for the Property; (ix) the fitness or suitability of the Property for occupancy or any intended use (including matters relating to health and safety) and the fitness and suitability for use of any of the Chattels; (x) the potential for further development of the Property; (xi) the existence of land use, zoning or building entitlements affecting the Property; (xii) the presence, release or use of any Hazardous Substance in, under, on or about the Property or any neighbouring lands; and (xiii) the conformity or compliance of the Purchased Assets to any municipal by-laws, including those relating to the preservation of heritage, cultural or historical property (collectively, the “**Property Conditions**”);
- (c) as part of the Purchaser’s agreement to purchase the Purchased Assets and to accept the Purchased Assets in the condition set out in this Section 2.3, and not as a limitation on such agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Purchaser might have against the Receiver and/or the Debtors pursuant to any warranty, express or implied, of any kind or type relating to the Purchased Assets or any other assets, the Property Conditions or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes, without limitation, waiver of express warranties, implied warranties, any warranties at law and/or in equity, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and Claims of every kind and type, including, without limitation, Claims regarding defects, whether or not discoverable, product liability Claims or similar Claims, and to all other extent or later created or conceived of strict liability or strict liability type Claims and rights;
- (d) none of the Receiver, the Receiver’s Broker or the Debtors shall be responsible or liable for any misrepresentation, lack of disclosure or incorrect or incomplete disclosure of any nature whatsoever or failure to investigate the Purchased Assets on the part of any broker or sales agent, or any other purported or acknowledged

agent, representative, contractor, consultant, or employee of the Receiver, the Debtors, or any third party;

- (e) the Receiver and/or the Debtors shall not be required to produce any abstract of title, deed or documents or copies thereof or any evidence as to title; and
- (f) the transfer of title to the Purchased Assets may be subject to certain work orders, municipal requirements, including building or zoning by-laws and regulations, easements for hydro, gas, and/or telephone affecting the Purchased Assets, and like services to the Property, and restrictions and covenants which run with the Lands, including but not limited to the Permitted Encumbrances. Without limiting the foregoing, the Receiver and the Debtors shall not be responsible for rectification of any matters disclosed by any Governmental Authority.

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

2.4 Receiver's Capacity

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

ARTICLE 3 PURCHASE PRICE AND ADJUSTMENTS

3.1 Purchase Price

On Closing, and in the manner set out in Section 11.14 herein, the Purchaser shall pay to the Receiver:

- (a) the Purchase Price, less the Deposit, as follows:
 - (i) by payment of \$53,000,000.00, less the Deposit, as adjusted in accordance with Sections 3.4 and 3.5; and
 - (ii) by the delivery of a non-interest-bearing demand promissory note by the Purchaser to the Receiver in the amount of \$15,482,000.00, as adjusted in accordance with Section 3.4(g) (the "**Promissory Note**"); and
- (b) any and all other amounts payable pursuant to the Closing Documents.

3.2 Deposit

The Parties acknowledge that:

- (a) the Purchaser has remitted \$7,200,000 to the Receiver which will be held by the Receiver in an interest-bearing account as a deposit (the “**Deposit**”) to be applied on account of the Purchase Price at Closing;
- (b) the Deposit will only be refundable to the Purchaser if: (i) this Agreement is terminated prior to Closing by mutual written consent of the Parties; (ii) the Court Approval Condition is not satisfied or waived by the Outside Date and the Purchaser is not in default hereunder or has remedied any such default by the Purchaser hereunder within three Business Days of notice from the Receiver of the occurrence of such default; (iii) Closing does not occur by the Outside Date as a result of a breach of this Agreement by the Receiver and the Purchaser is not in default hereunder or has remedied any, such default by the Purchaser hereunder within three Business Days of notice from the Receiver of the occurrence of such default; or (iv) this Agreement is terminated pursuant to Section 7.2(b)(ii) and the Purchaser is not in default hereunder or has remedied any, such default by the Purchaser hereunder within three Business Days of notice from the Receiver of the occurrence of such default. Otherwise, if Closing does not occur by the Outside Date or if the Purchaser terminates this Agreement pursuant to Section 10.1(c), the Deposit (and any interest accrued thereon) will be irrevocably forfeited to the Receiver and will be non-refundable. For greater certainty, such forfeiture of the Deposit (and any interest accrued thereon) to the Receiver shall be in addition to and not in substitution of any remedy the Receiver may have by reason of such default; and
- (c) any interest that accrues on the Deposit shall be solely for the benefit, and shall be the property, of the Purchaser, unless the Deposit is forfeited to the Receiver in accordance with this Agreement, in which case any interest that accrues on the Deposit shall be solely for the benefit, and shall be the property, of the Receiver.

3.3 General Adjustments

- (a) Except for those adjustments expressly provided for in Sections 3.4 and 3.5 (the “**Adjustments**”), there shall not be any further adjustments to the Purchase Price.
- (b) Subject to the Transaction closing as contemplated herein, the Adjustments shall be made as of the Adjustment Date on an accrual basis. From and after the Adjustment Date, the Purchaser shall be responsible for all expenses, including any expenses assumed by the Purchaser under any assignment and assumption agreements, and shall be entitled to all revenue from the Purchased Assets. The Receiver and the Debtors shall be responsible for all expenses and entitled to all revenue from the Purchased Assets for that period ending on the Adjustment Date, excluding Rent Receivables.
- (c) The provisions of this Section 3.3 shall not merge on, but shall survive, Closing.

3.4 Specific Adjustments

The Parties hereby acknowledge and agree that:

- (a) all Prepaid Expenses, rent, operating costs and recoveries, realty taxes, water, sewer, local improvement rates and charges, utility deposits, and other applicable income and expense items and adjustments (other than the Security Deposits) established by usual practice in the City of Vancouver for the purchase and sale of a similar property shall be apportioned and adjusted to the Closing Date (the day itself to be apportioned to the Purchaser) such that the Receiver will bear and pay all expenses and receive all income related to the Purchased Assets prior to the Closing Date and the Purchaser will bear and pay all expenses and receive all income related to the Purchased Assets from and after and including the Closing Date;
- (b) any Accounts Receivable, with a reduction to 95% of total Accounts Receivable to account for bad debts, shall be adjusted in favour of the Receiver. From and after the Closing Date, the Accounts Receivable shall be the property of the Purchaser;
- (c) in the event that there are any realty or business tax appeals for the calendar year prior to the calendar year in which the Closing occurs, the Purchaser shall, at its option, be entitled to take over such appeals and shall be entitled to receive any payment resulting therefrom, provided that the Purchaser shall make any reconciliation payments to Tenants in respect of any overpayment of realty tax contributions in respect of such prior year. In the event there are realty or business tax appeals for the calendar year in which Closing occurs for the Property, the Purchaser may, at its option, take over such appeals and any payments received resulting therefrom shall be paid to the Purchaser after, firstly, payment to Tenants in possession who have overpaid realty tax contributions as shown by the outcome of the appeals. To the extent the Receiver receives any of the aforementioned payments on or after the Closing Date in respect of realty or business tax appeals for any year prior to the 2023 calendar year, it shall forthwith remit them to the Purchaser, and the Purchaser shall make any reconciliation payments to Tenants in possession in respect of any overpayment of realty tax contributions in respect of such prior years;
- (d) the Purchaser shall be entitled to a credit for: (i) the value of all Security Deposits actually paid by Tenants that would ordinarily be held by the Receiver pursuant to the terms of the applicable Lease; (ii) any pre-paid rents attributable to periods from and after the Closing Date and actually paid by Tenants, notwithstanding that such Security Deposits and rents may not be held by the Receiver as of the Closing Date; (iii) the Receiver's pro-rata share of property taxes for the 2023 calendar year; (iv) any property taxes, arrears thereof and interest accruing thereon remaining unpaid as of the Adjustment Date for any previous calendar years; and (v) all other amounts that would ordinarily be adjusted for in a typical commercial real estate transaction between sophisticated parties;

- (e) from and after the Closing Date, the Purchaser shall provide to the Receiver and its auditors, during normal business hours at any time and from time to time upon reasonable prior notice to the Purchaser, ongoing access to the accounting books, files, records and information of the Purchaser relating to the Purchased Assets, for the purpose of calculating or verifying the amount of any Adjustments;
- (f) the amount payable by the Purchaser under Section 3.1(a)(i) shall be adjusted as at the Closing Date to an amount that will be sufficient to satisfy all priority charges in favour of the Receiver and the first-ranking mortgagee on title to the Lands, provided that such amount, after adjustment, shall not exceed an amount equal to the Purchase Price less the Deposit, and adjusted under Sections 3.4(a), (b), (c), (d) and (e). For the avoidance of doubt, the amount payable in cash on Closing by the Purchaser, together with the Deposit, shall be in an amount no less than that required to satisfy all priority charges of the Receiver and the first-ranking mortgagee on title to the Lands; and
- (g) the amount of the Promissory Note shall be adjusted as at the Closing Date by an amount corresponding to the amount of adjustment in Section 3.4(f), such that the Purchase Price (as adjusted under Sections 3.4(a), (b), (c), (d) and (e)) remains unchanged.

The provisions of this Section 3.4 shall not merge on, but shall survive, Closing.

3.5 Statement of Adjustments

- (a) The Receiver shall carry out an interim accounting and adjustment and prepare and deliver to the Purchaser at least ten (10) Business Days prior to the Closing Date a statement setting out the Receiver's good faith estimate of all adjustments (the "**Interim Statement of Adjustments**") to be made for the Transaction.
- (b) Within thirty (30) days following the Closing Date, the Receiver shall prepare and deliver to the Purchaser a final statement of all adjustments and payments (the "**Final Statement of Adjustments**"), on the basis of the information available within that period, to be made for the Transaction.
- (c) The Receiver shall make available to the Purchaser all information reasonably necessary, including the Books and Records, for the Purchaser to understand and confirm the calculations in the Interim Statement of Adjustments and the Final Statement of Adjustments.
- (d) If the Purchaser wishes to dispute the Final Statement of Adjustments, the Purchaser must send a notice indicating its dispute in accordance with Section 11.13 within ten (10) Business Days of receipt of the Final Statement of Adjustments. If no such notice is received by the Receiver within the ten (10) Business Days, the Purchaser shall be deemed to have irrevocably accepted and agreed to the accuracy of the Final Statement of Adjustments.

- (e) If: (i) the Purchaser sends a notice pursuant to Section 3.5(d); and (ii) the Parties are unable to agree on the Final Statement of Adjustments within ten (10) days of the delivery of such notice, the Parties agree that an independent third-party appraiser selected by the Receiver (the “**Appraiser**”) shall review the Parties’ submissions on the Final Statement of Adjustments and shall determine the Adjustments, which determination shall be binding on the Parties. The costs of the Appraiser shall be borne equally between the Parties and the Parties agree to cooperate in good faith and to use commercially reasonable efforts to assist the Appraiser in determining the Adjustments as soon as reasonably practical following the Appraiser’s appointment.
- (f) The provisions of this Section 3.5 shall not merge on, but shall survive, Closing.

3.6 Distribution

Following Closing or shortly thereafter, the Receiver shall:

- (a) cause the Purchase Price to be paid, distributed, allocated or credited, as applicable, in accordance with the Approval and Vesting Order and any other order of the Court; and
- (b) assign the Promissory Note to Cenyard Pacific Developments Inc.

The Purchaser acknowledges and agrees that it will not object to any payment, distribution, allocation or credit made pursuant to an order or orders of the Court of all or any part of the Purchase Price.

The provisions of this Section 3.6 shall not merge on, but shall survive, Closing.

ARTICLE 4 CONDITIONS PRECEDENT

4.1 Mutual Conditions

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

- (a) on or before June 13, 2023, the Parties will have settled and attached all schedules listed in Section 1.2 to this Agreement (subject to any revisions to such schedules as are necessary for them to be accurate as of the Closing Date);
- (b) the Receiver shall have presented to the Court, and the Court shall have declined to approve the Primary Offer and issue the orders sought thereunder;
- (c) on or before the Closing Date, the Approval and Vesting Order shall have been granted by the Court and such Approval and Vesting Order shall not have been

enjoined, restricted, stayed, reversed, dismissed and/or appealed (the “**Court Approval Condition**”); and

- (d) as at the Closing Date, there will be no Applicable Law or Order in effect that prohibits the consummation of the Transaction or the Closing.

4.2 Receiver’s Conditions

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

- (a) as at the Closing Date, each representation and warranty of the Purchaser contained in Section 5.3 will be true and correct: (i) as if restated on and as of the Closing Date; or (ii) as if made as of a date specified therein, as of such date;
- (b) on or before the Closing Date, the covenants, obligations, and agreements contained in this Agreement will have been complied with by the Purchaser and not have been breached in any material respect as determined in the sole discretion of the Receiver; and
- (c) as at the Closing Date, the Purchaser will have delivered to the Receiver all items it is required to deliver pursuant to Section 6.2.

4.3 Purchaser’s Conditions

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

- (a) as at the Closing Date, each representation and warranty of the Receiver contained in Section 5.1 will be true and correct: (i) as if restated on and as of the Closing Date; or (ii) as if made as of a date specified therein, as of such date;
- (b) on or before the Closing Date, the covenants, obligations, and agreements contained in this Agreement will have been complied with by the Receiver and not have been breached in any material respect; and
- (c) as at the Closing Date, the Receiver will have delivered to the Purchaser all items it is required to deliver pursuant to Section 6.1.

4.4 Satisfaction of Conditions

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

4.5 Waiver of Conditions

- (a) The Mutual Conditions are for the mutual benefit of the Parties and may be waived only with the written agreement of both of the Parties. If any of the Mutual Conditions have not been complied with or waived in the manner described above on or before the Closing Date, either Party may terminate this Agreement by written notice to the other Party in accordance with Section 11.13.
- (b) The Receiver's Conditions are for the exclusive benefit of the Receiver and may be waived by the Receiver in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Receiver may have. If any of the Receiver's Conditions have not been complied with or waived by the Receiver on or before the Closing Date, the Receiver may terminate this Agreement by written notice to the Purchaser in accordance with Section 11.13.
- (c) The Purchaser's Conditions are for the exclusive benefit of the Purchaser and may be waived by the Purchaser in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. If any of the Purchaser's Conditions have not been complied with or waived by the Purchaser on or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Receiver in accordance with Section 11.13.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Receiver

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

- (a) has been appointed as the receiver and manager of the Receivership Property pursuant to the Receivership Order of the Court, subject to the Court Approval Condition, has the power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;
- (b) the Receivership Order is in full force and effect as of the date hereof;
- (c) is not and will not be at the Closing a non-resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada); and
- (d) has not taken any steps to sell or encumber the Property (other than entering into this Agreement with the Purchaser) except as previously approved by the Court.

5.2 No Other Representations and Warranties of the Receiver

Except for the representations and warranties of the Receiver contained in Section 5.1, neither the Receiver nor any other Person has made or makes any other express or implied representation or

warranty, either written or oral, on behalf of the Receiver, including any representation or warranty as to the accuracy or completeness of any information regarding the Property furnished or made available to the Purchaser and its representatives or as to the future revenue, profitability or success of the Property, or any representation or warranty arising from statute or otherwise under Applicable Laws.

5.3 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to the Receiver that:

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

- (h) **No Prohibition.** The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada) does not apply in respect of the Purchaser or the Transaction.

5.4 Representations and Warranties of the Purchaser

All of the representations and warranties set out in Sections 5.1 to 5.3 shall not merge on, but shall survive, Closing.

ARTICLE 6 CLOSING DOCUMENTS

6.1 Receiver's Closing Documents

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

- (a) a certified copy of the Approval and Vesting Order;
- (b) any updated versions of the Schedules, including Schedule E (Leases), accurate as of the Closing Date;
- (c) the Assignment and Assumption of Leases and all other assignment, assumption and other documents as are required by the terms of the Leases, executed on behalf of the Receiver;
- (d) the Assignment and Assumption of Contracts and all other assignment, assumption and other documents as are required by the terms of the Contracts, executed on behalf of the Receiver;
- (e) the Assignment and Assumptions of Intangible Assets, executed on behalf of the Receiver;
- (f) a notice to all Tenants advising of the sale of the Purchased Assets and directing that all rents payable under the Leases after Closing be paid to the Purchaser or as the Purchaser directs;
- (g) the Interim Statement of Adjustments;
- (h) a certificate of the Receiver confirming that: (i) the representations and warranties set out in Section 5.1 are true and accurate in all material respects; and (ii) the Receiver has complied with all the covenants, obligations, and agreements contained in this Agreement and has not breached the same in any material respect;
- (i) to the extent in the Receiver's possession, control or knowledge (as applicable), all keys and security cards relating to the Purchased Assets and all combinations to vaults and combination locks located at the Property;

- (j) a bill of sale in respect of the Chattels; and
- (k) such other documents as may be required by the Approval and Vesting Order, or reasonably required by the Purchaser to complete the Transaction, in accordance with the terms of this Agreement.

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

6.2 Purchaser's Closing Documents

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

- (a) the Promissory Note;
- (b) the Assignment and Assumption of Leases, and all other assignment, assumption and other documents as are required by the terms of the Leases, executed on behalf of the Purchaser;
- (c) the Assignment and Assumption of Contracts, and all other assignment, assumption and other documents as are required by the terms of the Contracts, executed on behalf of the Purchaser;
- (d) the Assignment and Assumption of Intangible Assets, executed on behalf of the Purchaser;
- (e) a certificate of an officer of the Purchaser (in such capacity and without personal liability) confirming that: (i) the representations and warranties set out in Section 5.3 are true and accurate in all material respects; and (ii) the Purchaser has complied with all the covenants, obligations, and agreements contained in this Agreement and has not breached the same in any material respect;
- (f) a certificate stating that the Purchaser is registered with Canada Revenue Agency for the purposes of GST and setting out the Purchaser's GST number; and
- (g) such other documents as may be reasonably required by the Receiver to complete the Transaction in accordance with the terms of this Agreement.

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

ARTICLE 7
OPERATION OF THE PROPERTY

7.1 Operation Before Closing

During the period between the date hereof and Closing (the “**Interim Period**”), subject to the Receivership Order and any other order made by the Court in the Receivership Proceedings, the Receiver shall:

- (a) operate the Property in accordance with its usual business and management practices consistent with its management of the Property prior to entering into this Agreement;
- (b) carry out all routine day-to-day repairs and maintenance of the Property that are its or the Debtors’ responsibility under the respective Leases;
- (c) maintain in full force and effect the existing insurance coverage in respect of the Property;
- (d) consult with the Purchaser regarding any commitment, agreement or contract, or modification of any material terms or termination of any of the Contracts, Permitted Encumbrances, Permits, or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets, but for the avoidance of doubt, the Receiver shall not be bound to follow or agree to the requests of the Purchaser;
- (e) promptly notify the Purchaser if the Receiver becomes aware that, after the date of this Agreement, any of its representations or warranties in this Agreement become untrue or incorrect or if any covenants, terms or conditions in this Agreement are breached or cannot be performed; and
- (f) grant to the Purchaser and its authorized representatives the right to enter upon the Property during business hours upon reasonable notice (which, in respect of those portions of the Property that are the subject of Leases, shall be such notice as is required by such Leases and any statutory notice as may be required) for the purposes of carrying out such inspections, examinations, tests and surveys, including soil tests, as the Purchaser may deem necessary; provided that the Purchaser shall indemnify and save harmless the Receiver from any and all loss, cost or damage suffered as a result of the Purchaser exercising its rights pursuant to this clause.

7.2 Damage Before Closing

- (a) The Purchased Assets shall be at the risk of the Debtors until Closing.
- (b) If any loss, damage or expropriation occurs before Closing to any part of the Purchased Assets: (i) in respect of which the cost of repair is more than 10% of the

Purchase Price, or if such repair will take more than 6 months, all as determined by an arm's length, independent architect, engineer or other qualified expert engaged by the Receiver; or (ii) which entitles Tenants occupying in excess of 15% of the rentable areas of the Property to terminate their Leases, within 15 Business Days after disclosure to the Purchaser by the Receiver of the loss or damage and the extent thereof, the Purchaser, at its option, shall by notice in writing to the Receiver (the "**Election Notice**") elect either:

- (i) to complete the purchase of such Purchased Asset(s), in which event the insurance proceeds payable in respect of such damaged Purchased Asset(s) shall be assigned or paid to the Purchaser and the Purchase Price shall be reduced by an amount equal to any deficiency in insurance proceeds arising from any co-insurance relating to such insurance policy or for any other reason; or
 - (ii) not to complete the purchase of such Purchased Asset(s), in which case this Agreement will terminate with immediate effect.
- (c) If the Purchaser fails to deliver the Election Notice, it will be deemed to elect to complete the purchase of the Purchased Assets in accordance with Section 7.2(b)(i).
- (d) If loss or damage to any Buildings that does not trigger the rights set out in Section 7.2(b) occurs, the Purchaser shall have no right to terminate this Agreement, but shall be entitled to all proceeds of insurance in respect of such loss or damage and the Purchase Price shall be reduced by the value of any deductibles in respect of such loss or damage and an amount equal to any deficiency in insurance proceeds arising from any co-insurance relating to such insurance policy or for any other reason, and the Parties shall complete the Transaction.

ARTICLE 8 RELEASE

8.1 Release

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

- (a) except to the extent a Claim or expense is caused by the gross negligence or wilful misconduct of a Released Person, remises, releases and forever discharges the Released Persons from any and all Claims and any and all expenses (whether or not relating to or resulting from a Claim) whenever occurring or caused which the Purchaser or any other Person now has or may have arising from or in any way relating to the condition of the Property, including Claims and expenses in respect of or in any way related to a Hazardous Substance or other environmental condition, existing or in effect prior to, as of, or after the Closing; and

- (b) except to the extent a Claim is caused by the gross negligence or wilful misconduct of a Released Person, covenants not to, directly or indirectly, make or assist in making or advancing any Claim against any of the Released Persons, or against any other Person who may have a right of contribution or indemnity against any of the Released Persons, including Claims in respect of or in any way related to a Hazardous Substance or other environmental condition, existing or in effect prior to, as of, or after the Closing, unless with respect to a Claim against any such other Person, the Purchaser indemnifies the Released Persons in full from and in respect of the Claim against such other Person.

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

ARTICLE 9 COVENANTS AND OTHER AGREEMENTS

9.1 Approval of the Court

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

9.2 Transfer Taxes

The Purchaser will promptly pay any applicable transfer taxes and/or GST directly to the appropriate taxing Governmental Authority, or promptly reimburse the Receiver upon demand and delivery of proof of payment, all applicable transfer taxes and/or GST that are properly payable by the Purchaser under Applicable Laws in connection with this Agreement and the transactions contemplated herein and the other Closing Documents and the transactions contemplated therein. This obligation shall survive Closing.

9.3 Post-Closing Marketing and Tenant Communications.

The Purchaser will coordinate with the Receiver, acting reasonably the timing and manner of communicating the completion of the Transaction to the Tenants and shall take into account the Receiver's comments and recommendations in respect of same.

9.4 Non-assignable Assets

If any of the Purchased Assets are not transferable without consent of a third party by the terms of the applicable instruments, the Receiver shall use commercially reasonable efforts to obtain such consent prior to the Closing Date and, if such consent is not obtained by the Closing Date, the Receiver shall use commercially reasonable efforts to obtain an Order in the Receivership Proceedings transferring or assigning, as applicable, such Purchased Assets to the Purchaser. For certainty, any failure to obtain the consent of any such third party will not constitute a default of the Receiver nor will it entitle the Purchaser to terminate this Agreement.

ARTICLE 10 TERMINATION

10.1 Termination of this Agreement

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

- (a) by mutual written consent of the Parties; or
- (b) subject to Section 4.4, in accordance with Section 4.5;
- (c) by the Purchaser, upon written notice to the Receiver in accordance with Section 11.13.

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

ARTICLE 11 GENERAL

11.1 Obligations as Covenants

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

11.2 Transaction Costs

Subject to Section 3.5(e), each Party shall bear its own fees and expenses in respect of the Transaction, including, without limiting the generality of the foregoing, the fees and expenses of their respective accountants and auditors in preparing or reviewing, as the case may be, the Interim Statement of Adjustments and the Final Statement of Adjustments.

11.3 Commission

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

11.4 Applicable Law

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

11.5 Time of the Essence

Time shall be of the essence of this Agreement.

11.6 Further Assurances

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

11.7 Entire Agreement

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

11.8 Waiver

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

11.9 Solicitors and Agents and Tender

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

11.10 Merger

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

11.11 Successors and Assigns

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

11.12 Assignment

The Purchaser shall have the right to assign its interest hereunder to a related party of the Purchaser, provided the assignee agrees by an assignment and assumption agreement to be bound by the terms of this Agreement. Any such assignment shall not however release the Purchaser of its obligations under this Agreement.

11.13 Notice

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

(a) Receiver:

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

Attn: Jordan Wong
Email: jwong@ksvadvisory.com

copy to:

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

Attn: Vicki Tickle and Forrest Finn
Email: vtickle@cassels.com
ffinn@cassels.com

(b) Purchaser:

Cenyard Southview Gardens Ltd.
4351 Erwin Drive
West Vancouver, BC V7V 1H7

Attn: Xintai Liu
Email: xt20130228@hotmail.com

copy to:

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

Attention: Will Roberts and Jack Yong
E-Mail: wroberts@lawsonlundell.com
jyong@lawsonlundell.com

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery and if sent by electronic mail, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was sent.

11.14 Delivery in Escrow

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

11.15 Counterparts; Electronic Transmission

This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same instrument. The Parties agree that this Agreement may be transmitted by electronic transmission via email and that the reproduction of signatures by way of electronic transmission via email will be treated as though such reproduction were executed originals and each Party undertakes to provide the other with a copy of this Agreement bearing original signatures within a reasonable time after the date of execution.

[Signature page follows]

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

CENYARD SOUTHVIEV GARDENS LTD.

Per: _____

Name: Xintai Liu

Title: Director

I have the authority to bind the corporation

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



Per: _____

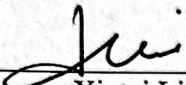
Name: Noah Goldstein

Title: Managing Director

I have the authority to bind the corporation

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

CENYARD SOUTHVIEV GARDENS LTD.

Per: 
Name: Xintai Liu
Title: Director

I have the authority to bind the corporation

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

Per: _____
Name:
Title:

I have the authority to bind the corporation

Schedule "A"

Approval and Vesting Order

[see attached]

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEAKHILL CAPTIAL INC.

PETITIONER

AND:

SOUTHVIEW GARDENS LIMITED PARTNERSHIP, SOUTHVIEW GARDENS BT LTD.,
SOUTHVIEW GARDENS PROPERTIES LTD., ZHEN YU ZHONG, JUNCHAO MO,
COROMANDEL PROPERTIES (2016) LTD., BAYSHORE PROPERTIES (2016) LTD., AND
COROMANDEL HOLDINGS LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

)
)
)

dd/mm/yyyy

THE APPLICATION of KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of all assets, undertakings, and businesses of Southview Gardens BT Ltd., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. as they relate to the land legally described as Lot 14, District Lot 334, Plan 13993, PID 007-982-160 and the buildings thereon (collectively, including proceeds thereof, the “**Receivership Property**”) coming on for hearing at Vancouver, British Columbia, on the [●] day of [●], 2023; AND ON HEARING [●], counsel for the Receiver, and those other counsel listed on Schedule “**A**” hereto, and no one else appearing, although duly served; AND UPON READING the material filed, including the [●] Report of the Receiver dated [●], 2023 (the “[●] **Report**”) and the Receiver’s Confidential Supplement to the [●] Report dated [●], 2023 (the “**Confidential Supplement**”);

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the “**Transaction**”) contemplated by the Agreement of Purchase and Sale dated [●], 2023 (the “**Sale Agreement**”) between the Receiver and Cenyard Southview Gardens Ltd. (the “**Purchaser**”), a copy of which is attached as Appendix “**■**” to the Confidential Supplement is hereby approved, and the Sale Agreement is

commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to them in the Sale Agreement.
3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**"), all right, title and interest of Southview Gardens BT Ltd., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. (collectively, the "**Debtors**") in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from 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 (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated February 16, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" 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 Purchased Assets.
4. Upon presentation for registration in the Land Title Office for the Land Title District of Vancouver of a certified copy of this Order, together with a letter from Cassels Brock & Blackwell LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
 - (a) enter the Purchaser as the owner of the Lands, as identified in Schedule "E" hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and
 - (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "D".
5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased

Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

6. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
7. Pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) or section 18(10)(o) of the *Personal Information Protection Act* (British Columbia), the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser (i) all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees; and (ii) all personal and banking information in the Debtors' records pertaining to Tenants in relation to the Leases and the Accounts Receivable. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.
8. Subject to the terms of the Sale Agreement, possession of the Purchased Assets, including any real property (subject to the Leases), shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "D".
9. The Receiver, with the consent of the Purchaser, 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.
10. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtors or any of them now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtors or any of them,

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 Debtor 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 *Bankruptcy and Insolvency Act* 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.

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

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

Signature of Vicki Tickle
Lawyer for the Receiver

BY THE COURT

REGISTRAR

Schedule A – List of Counsel

Counsel	Party

Schedule B – Receiver’s Certificate

NO. VLC-S-S-231065
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEAKHILL CAPTIAL INC.

PETITIONER

AND:

SOUTHVIEW GARDENS LIMITED PARTNERSHIP, SOUTHVIEW GARDENS BT LTD., SOUTHVIEW GARDENS PROPERTIES LTD., ZHEN YU ZHONG, JUNCHAO MO, COROMANDEL PROPERTIES (2016) LTD., BAYSHORE PROPERTIES (2016) LTD., AND COROMANDEL HOLDINGS LTD.

RESPONDENTS

RECEIVER’S CERTIFICATE

- A. Pursuant to an Order of the Honourable Mr. Justice Loo of the Supreme Court of British Columbia (the “**Court**”) dated February 16, 2023, KSV Restructuring Inc. was appointed as the receiver and manager of all the assets, undertakings and businesses of Southview Gardens BT Ltd., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. (collectively, the “**Debtors**”) 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.

- B. Pursuant to an Order of the Court dated ●, 2023, the Court approved the agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Cenyard Southview Gardens Ltd. (the “**Purchaser**”) dated June ●, 2023, and provided for the vesting in the Purchaser of the Debtors’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at **[time]** on **[date]**.

KSV RESTRUCTURING INC., in its capacity as Receiver of the assets, undertakings and businesses of Southview Gardens BT Ltd., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. as they relate to the Land, together with the Land itself, and the proceeds thereof, and not in its personal capacity

Per: _____

Name:

Title:

Schedule C – Encumbrances

1. <*>

**Schedule D - Permitted Encumbrances, Easements and Restrictive Covenants
related to Real Property**

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown.

Schedule E – The Lands

No. VLC-S-S-231065
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEAKHILL CAPITAL INC.

Petitioner

- and -

SOUTHVIEW GARDENS LIMITED PARTNERSHIP,
SOUTHVIEW GARDENS BT LTD., SOUTHVIEW
GARDENS PROPERTIES LTD., ET AL

Respondents

APPROVAL AND VESTING ORDER

Schedule "B"

Chattels

Nil.

Schedule "C"

Contracts

Item	Contract
1.	Property Management Services Agreement dated January 26, 2017 between Southview Gardens BT Ltd., Southview Gardens Limited Partnership and Bentall Kennedy (Canada) Limited Partnership by its general partner, Bentall Kennedy (Canada) G.P. Ltd.
2.	Waste Management Services Agreement dated March 29, 2021 between BentallGreenOak and Waste Solutions Canada
3.	Pest Control Services Agreement dated May 5, 2021 between Southview Gardens Limited Partnership and Terminix Canada
4.	Fire Inspection Services Agreement dated January 1, 2022 between Southview Gardens Limited Partnership and Elite Fire Protection
5.	Landscaping Services Agreement dated November 15, 2022 between Southview Gardens Limited Partnership and Pereda Gardenscape Services

Schedule "D"

Excluded Assets

Nil.

Schedule "E"

Intellectual Property

Trademarks Canadian Intellectual Property Office			
Trademark	Registration #	Registration Date	Status
Southview Gardens	Not Registered	Not Applicable	Not Registered / Common Law Passing Off

Schedule "F"

Leases

Residential Tenancy Agreements		
	Unit	Tenant
1.	40-001	[REDACTED]
2.	40-002	[REDACTED]
3.	40-003	[REDACTED]
4.	40-004	[REDACTED]
5.	40-005	[REDACTED]
6.	40-006	[REDACTED]
7.	40-007	[REDACTED]
8.	40-008	[REDACTED]
9.	40-009	[REDACTED]
10.	40-010	[REDACTED]
11.	40-011	[REDACTED]
12.	40-012	[REDACTED]
13.	40-013	[REDACTED]
14.	40-014	[REDACTED]
15.	40-015	[REDACTED]
16.	40-016	[REDACTED]
17.	40-017	[REDACTED]
18.	40-018	[REDACTED]
19.	40-019	[REDACTED]
20.	40-020	[REDACTED]
21.	40-021	[REDACTED]
22.	40-022	[REDACTED]
23.	40-023	[REDACTED]

24.	40-024	[REDACTED]
25.	40-025	[REDACTED]
26.	40-026	[REDACTED]
27.	40-027	[REDACTED]
28.	40-028	[REDACTED]
29.	40-029	[REDACTED]
30.	40-030	[REDACTED]
31.	40-031	[REDACTED]
32.	40-032	[REDACTED]
33.	40-033	[REDACTED]
34.	40-034	[REDACTED]
35.	40-035	[REDACTED]
36.	40-036	[REDACTED]
37.	40-037	[REDACTED]
38.	40-038	[REDACTED]
39.	40-039	[REDACTED]
40.	40-040	[REDACTED]
41.	40-041	[REDACTED]
42.	40-042	[REDACTED]
43.	40-043	[REDACTED]
44.	40-044	[REDACTED]
45.	40-045	[REDACTED]
46.	40-046	[REDACTED]
47.	40-047	[REDACTED]
48.	40-048	[REDACTED]
49.	60-049	[REDACTED]
50.	60-050	[REDACTED]

51.	60-051	[REDACTED]
52.	60-052	[REDACTED]
53.	60-053	[REDACTED]
54.	60-054	[REDACTED]
55.	60-055	[REDACTED]
56.	60-056	[REDACTED]
57.	60-057	[REDACTED]
58.	60-058	[REDACTED]
59.	60-059	[REDACTED]
60.	60-060	[REDACTED]
61.	60-061	[REDACTED]
62.	60-062	[REDACTED]
63.	60-063	[REDACTED]
64.	60-064	[REDACTED]
65.	60-065	[REDACTED]
66.	60-066	[REDACTED]
67.	60-067	[REDACTED]
68.	60-068	[REDACTED]
69.	60-069	[REDACTED]
70.	60-070	[REDACTED]
71.	60-071	[REDACTED]
72.	60-072	[REDACTED]
73.	60-073	[REDACTED]
74.	60-074	[REDACTED]
75.	60-075	[REDACTED]
76.	60-076	[REDACTED]
77.	60-077	[REDACTED]

78.	60-078	[REDACTED]
79.	60-079	[REDACTED]
80.	60-080	[REDACTED]
81.	60-081	[REDACTED]
82.	60-082	[REDACTED]
83.	60-083	[REDACTED]
84.	60-084	[REDACTED]
85.	60-085	[REDACTED]
86.	60-086	[REDACTED]
87.	60-087	[REDACTED]
88.	60-088	[REDACTED]
89.	60-089	[REDACTED]
90.	60-090	[REDACTED]
91.	60-091	[REDACTED]
92.	60-092	[REDACTED]
93.	60-093	[REDACTED]
94.	60-094	[REDACTED]
95.	60-095	[REDACTED]
96.	60-096	[REDACTED]
97.	60-097	[REDACTED]
98.	60-098	[REDACTED]
99.	60-099	[REDACTED]
100.	60-100	[REDACTED]
101.	60-101	[REDACTED]
102.	80-102	[REDACTED]
103.	80-103	[REDACTED]
104.	80-104	[REDACTED]

105.	80-105	[REDACTED]
106.	80-106	[REDACTED]
107.	80-107	[REDACTED]
108.	80-108	[REDACTED]
109.	80-109	[REDACTED]
110.	80-110	[REDACTED]
111.	80-111	[REDACTED]
112.	80-112	[REDACTED]
113.	80-113	[REDACTED]
114.	80-114	[REDACTED]
115.	80-115	VACANT
116.	80-116	[REDACTED]
117.	80-117	[REDACTED]
118.	80-118	[REDACTED]
119.	80-119	[REDACTED]
120.	80-120	[REDACTED]
121.	80-121	[REDACTED]
122.	80-122	[REDACTED]
123.	80-123	[REDACTED]
124.	80-124	[REDACTED]
125.	80-125	[REDACTED]
126.	80-126	J [REDACTED]
127.	80-127	[REDACTED]
128.	80-128	[REDACTED]
129.	80-129	[REDACTED]
130.	80-130	[REDACTED]
131.	80-131	[REDACTED]

132.	80-132	[REDACTED]
133.	80-133	[REDACTED]
134.	80-134	[REDACTED]
135.	80-135	[REDACTED]
136.	80-136	[REDACTED]
137.	80-137	[REDACTED]
138.	80-139	[REDACTED]
139.	80-140	[REDACTED]

Schedule "G"

Permits

City of Vancouver Permits			
Type	Number	Issue Date	
Building Permit	BP-2019-01523	May 30, 2019	
Electrical Permit	EP-2014-02779	November 3, 2014	
Electrical Permit	EP-2017-05454	July 24, 2017	
Tree Permit	TP-2017-00852	September 26, 2017	
Tree Permit	TP-2019-00883	October 1, 2019	
Tree Permit	TP-2020-00054	February 27, 2020	
City of Vancouver Business Licenses			
Business Name	License Number / License RSN	Issue Date	Business Type
Southview Gardens BT Ltd.	23-102349 / 4130201	January 3, 2023	Apartment House
Southview Gardens BT Ltd.	23-102350 / 4130202	January 3, 2023	Apartment House
Southview Gardens BT Ltd.	23-102347 / 4130199	January 3, 2023	Apartment House

Schedule “H”

Permitted Encumbrances

1. Right of Way 548725M in favor of the City of Vancouver
2. Easement and Indemnity Agreement 551204M in favour of the City of Vancouver
3. Right of Way 560698M in favour of British Columbia Hydro and Power Authority transferred to Statutory Right of Way GB111848
4. Statutory Right of Way GB111848 in favour of B.C. Gas Inc. and British Columbia Hydro and Power Authority.