



No. S-238711
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

CANADIAN WESTERN BANK

PETITIONER

AND

QUARRY ROCK DEVELOPMENTS (MCALLISTER) INC., QUARRY ROCK
DEVELOPMENTS (MCALLISTER) LIMITED PARTNERSHIP, LAWSON
ACQUISITIONS LTD., WILLIS DEVELOPMENTS INC., AND QUARRY ROCK
DEVELOPMENTS INC.

RESPONDENTS

REQUISITION - GENERAL

Filed by: Alvarez & Marsal Canada Inc., in its capacity as court-appointed receiver
(the "**Receiver**") of the assets, undertakings and properties of Quarry Rock
Developments (McAllister) Inc. and Quarry Rock Developments (McAllister) Limited
Partnership

Required: Please file the attached Receiver's Report.

November 8, 2024
Date

Colin Brousson
Signature of ☒ lawyer for filing party
DLA Piper (Canada) LLP (Colin D.
Brousson)

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RESPONDENTS

**FIRST REPORT OF THE RECEIVER
ALVAREZ & MARSAL CANADA INC.
NOVEMBER 7, 2024**

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1.0 INTRODUCTION

- 1.1 On April 2, 2024 (the “**Receivership Date**”), Canadian Western Bank (“**CWB**” or the “**Petitioner**”) filed the Consent to Act as Receiver by Alvarez & Marsal Canada Inc. (“**A&M**” or the “**Receiver**”) with the Supreme Court of British Columbia (the “**Court**”) and pursuant to the Consent Order dated February 22, 2024 (the “**Consent Order**”), Alvarez & Marsal Canada Inc. was appointed receiver without security, of all the assets, undertakings and property of Quarry Rock Developments (McAllister) Inc. (“**McAllister Inc.**”), Quarry Rock Developments (McAllister) Limited Partnership (“**McAllister LP**” and collectively with McAllister Inc., “**Quarry Rock**” or the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors. These proceedings are hereinafter referred to as the “**Receivership Proceedings**”.
- 1.2 For greater clarity, the other respondents in the Receivership Proceedings, Lawson Acquisitions Ltd., Willis Developments Inc., and Quarry Rock Developments Inc. are guarantors of the financings between the Debtors and CWB and are excluded from the Receivership Proceedings.
- 1.3 The Receivership Order and other select documents filed in the Receivership Proceedings are available to interested parties on the Receiver’s website (the “**Receiver’s Website**”) at www.alvarezandmarsal.com/quarryrockmcallister.

2.0 PURPOSE OF THE FIRST REPORT

- 2.1 The first report of the Receiver (the “**First Report**”) was prepared to provide this Honourable Court and interested stakeholders with information regarding the following:
- a) select background information with respect to the Company’s operations and events leading up to the Receivership Proceedings;
 - b) the activities of the Receiver since the Receivership Date;
 - c) the Receiver’s interim statement of receipts and disbursements for the period from April 2, 2024, to November 1, 2024;
 - d) a forecast of the cash receipts and disbursements for the period from November 2, 2024, to January 31, 2025 (the “**First Cash Flow Forecast**”);
 - e) information regarding the sales process (the “**Sales Process**”) undertaken by the Receiver with the assistance of Colliers Macaulay Nicolls Inc. (“**Colliers**”); and
 - f) the Receiver’s conclusions and recommendations.

3.0 BACKGROUND

Corporate Structure

- 3.1 It is the Receiver's understanding that McAllister Inc., which was incorporated on April 18, 2017, acts as the general partner for McAllister LP, which is a limited partnership that was formed in respect to a development project (the "**Project**") located in the City of Port Coquitlam.
- 3.2 McAllister LP was registered on November 16, 2017, for the purpose of acquiring lands in respect of the Project and the development of the Project.

The Project

- 3.3 The Project property (the "**Property**") is legally described as: Lot 1 District Lot 379 Group 1 New Westminster District Plan EPP107096, PID: 031-366-7081 and its municipal address is 2245 McAllister Avenue, Port Coquitlam, B.C. V3C 2A9.
- 3.4 The Project was originally planned to be a five-story development comprised of one floor of commercial space at ground level and residential units on the four floors above, which was later revised to six stories, resulting in the addition of 17 residential units.

Project Financing

- 3.5 On October 9, 2020, CWB (also the Petitioner) issued a commitment letter (the "**Commitment Letter**") to the Debtors that authorized the following credit facilities, subject to terms and conditions as outlined in the Commitment Letter:
- a) a demand loan to a maximum of \$26,150,000;
 - b) letters of credit facility to a maximum of \$2,000,000; and
 - c) a business line of credit of \$350,000.
- 3.6 The Commitment Letter outlined the security to be obtained by CWB, which among other things, included the following:
- a) executed general security agreements by McAllister Inc. and McAllister LP in favour of CWB;
 - b) a first-ranking mortgage charge in the amount of \$33,000,000;
 - c) a hypothecation of bank balances in the amount of \$28,500,000; and
 - d) the assignment of all risk casualty and liability insurance policies.
- 3.7 On March 31, 2021, at the request of the Debtors, the Commitment Letter was amended as follows:
- a) a demand loan to a maximum of \$24,250,000 (the "**Loan Facility**");

- b) letters of credit facility to a maximum of \$3,900,000; and
 - c) a business line of credit of \$350,000.
- 3.8 Total advances under the Loan Facility are outlined in Exhibit “S” of the first affidavit of Leanna McNally sworn December 21, 2023, and are summarized as follows:
- a) \$1,800,000 to fund the interest reserve on April 15, 2021;
 - b) \$3,135,579 to pay out previous letters of credit and other advances on April 15, 2021;
 - c) the residual balance of \$19,314,421 was funded into a term deposit on April 20, 2021 (total funded under Loan Facility \$24,250,000); and
 - d) subsequent to April 20, 2021, two progress claims were funded totaling \$4,279,696, with the last progress claim funded on June 29, 2021.
- 3.9 Total project costs of \$24 million incurred by the Debtors on the Project are summarized in the First affidavit of Richard Lawson sworn January 18, 2024, and includes approximately \$8.7 million in hard costs, \$3 million in soft costs, financing costs of \$2.4 million and land acquisition costs of \$7.1 million.
- 3.10 Due to a number of factors including construction delays and rising costs of borrowing, the Debtors did not have sufficient access to capital to fund ongoing obligations as they became due.
- 3.11 On November 17, 2023, the Petitioner dispatched a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “BIA”) and on February 22, 2024, the Court Granted the Consent Order and A&M was appointed as Receiver on April 2, 2024.
- 3.12 As at the Receivership date, the Debtors had a total of approximately \$24 million of liabilities, which is comprised of the following:

Quarry Rock Developments Inc. et al Liabilities as at April 2, 2024 Per Company's records \$'000	
Creditor Type	Claim Amount
Secured Creditors	\$ 23,016
Unsecured Creditors	696
Total	\$ 23,711

- 3.13 Secured liabilities include \$12.7 million due to CWB and various Claims of Builders Liens filed against the title to the Property in respect of claims from suppliers for unpaid goods and services provided to the Debtors. Unsecured claims consist primarily of project soft costs including

architectural, engineering and project management fees. The Receiver has not conducted a claims process to assess total claims outstanding.

4.0 ACTIVITIES OF THE RECEIVER SINCE ITS APPOINTMENT

4.1 The Receiver's initial activities since its appointment on the Receivership Date have included, among other things, the following:

Appointment and Preservation of Assets

- a) attending an introductory meeting with the Debtors in respect of the Receivership Proceedings;
- b) dispatching a notice to CWB, the Debtors' financial institution, requesting the bank accounts be frozen;
- c) arranging for a service agreement between the Receiver and VC Management Inc. in respect of ongoing site monitoring and maintenance (the "**Site Management Agreement**");
- d) attending to various calls and meetings with the City of Port Coquitlam in respect of the Project and the Receivership Proceedings;
- e) dispatching communications to the Debtors' insurer to confirm the coverage in place, reviewing the insurance, and a request that the policy be updated to list the Receiver as named insured and loss payee;
- f) arranging for the Receiver's Website to be established pursuant to the Receivership Order and arranging for filed materials to be posted;

Retention of Legal Counsel

- g) retaining DLA Piper (Canada) LLP ("**DLA**") as counsel to the Receiver;
- h) instructing DLA to assist the Receiver in drafting the Site Management Agreement, reviewing various other legal documents and assisting with the review of various Offers to Purchase on the Property's title;
- i) instructing DLA to draft a Memorandum of Understanding with the City of Port Coquitlam in respect to an offer to purchase certain commercial space that is registered on title of the Property;

Marketing and Sales Efforts

- j) reviewing proposals from three brokers in respect of the Sale Process;
- k) on April 24, 2024, engaging Colliers as the exclusive listing agent;

- l) holding discussions with the Debtors in respect of the purchase and sale agreement between the Debtors and Mosaic Seniors Care Society (the “**Mosaic PSA**”);
- m) on April 19, 2024, engaging the Altus Group Limited to prepare an appraisal of the Property (the “**Altus Appraisal**”);

Statutory Duties

- n) preparing the Receiver’s Statement (Form 87) and creditor listing;
- o) dispatching a notice to creditors pursuant to the BIA; and
- p) pursuant to the *Personal Property Security Act* (British Columbia), posting a notice of the Receivership Proceedings in the Vancouver Sun on April 12, 2024.

5.0 RECEIVER’S INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

- 5.1 The Receiver’s interim statements of receipts and disbursements for the period from April 2, 2024 to November 1, 2024 (the “**Reporting Period**”) is summarized in the table below:

Quarry Rock Developments Inc. et al Receiver’s Interim Statement of Cash Receipts and Disbursements For the period from April 2, 2024 to November 1, 2024	
Receipts	
Receiver's certificate	\$ 305,000
Interest on Deposits	1,287
Total Receipts	306,287
Disbursements	
Creditor notices (printing, postage, advertisements)	828
Site Management - VC Management	88,082
Professional fees - receiver, counsel	141,027
Utilities	2,159
Appraisal	6,353
Insurance	1,500
Bank fees	25
Total Disbursements	239,974
Cash on hand in trust	\$ 66,313

- 5.2 During the Reporting Period net cash inflows were \$66,000, which is comprised of:
 - a) total receipts \$306,000 consist of Receiver’s borrowings of \$305,000 and interest on the deposit of \$1,000; and
 - b) total disbursements of \$240,000 primarily costs consist of site management costs of \$88,000, restructuring professional fees of \$141,000 and appraisal costs of \$6,000.

6.0 FIRST CASH FLOW FORECAST

- 6.1 The Receiver has prepared the first cash flow forecast for the period from November 2, 2024, to January 31, 2025 (the “**Forecast Period**”). The First Cash Flow Forecast is attached hereto as Appendix “A” and is summarized in the table below:

Quarry Rock Developments Inc. et al	
Cash Flow Forecast	
For the period November 2, 2024 to January 31, 2025	
(C\$000s)	
Receipts	
Receiver's certificates	\$ 100
Total Receipts	100
Disbursements	
Utilities	3
Fencing	5
Security cameras	5
Dewatering	17
Metered water	1
Property manager fees	16
Professional fees - receiver, counsel	70
Contingency	15
Total Disbursements	131
Net Cash Flow	(31)
Cash Position	
Opening Cash Position	66
Closing Cash Position	\$ 35

- 6.2 Net cash outflows of \$31,000 are forecast during the Forecast Period, which is comprised of the following:
- a) Total receipts of \$100,000 consist of Receiver’s borrowings (total \$405,000 over the Receivership Proceedings); and
 - b) Total disbursements of \$131,000 consists of professional fees of \$70,000, \$15,000 contingency and \$46,000 in respect of site management costs.
- 6.3 The cash flow assumes the Receiver will continue to borrow funds pursuant to the Receivership Order’s authorized borrowing limit of \$500,000.

7.0 SALES PROCESS

- 7.1 Prior to the Receivership Proceedings, the Debtor was engaged in efforts to refinance the Project and repay the Petitioner in full, but ultimately was not able to finalize a viable transaction, which led to efforts to market and sell the Project.

- 7.2 As a result of the Debtors' efforts, Quarry Rock entered into the Mosaic PSA on March 25, 2024, which is attached hereto as Appendix "**B**". The Receiver held discussions with the Debtors to inform them that it is its intention to commence the Sales Process and if the Mosaic PSA was to be accepted, efforts would need to be made to advance the sale, including receiving an as-is where-is bid and a deposit.
- 7.3 At the time of this First Report no deposit has been received and the Receiver has not received the Buyer's Conditional Waiver Notice (as defined in the Mosaic PSA).
- 7.4 On June 13, 2024, DLA received a letter of interest from BC Frontier Housing Society (the "**BC Frontier LOI**"), a non-profit society focusing on bringing sustainable rental housing to market in British Columbia to purchase the project for \$28,400,000.
- 7.5 The Receiver and its counsel reviewed the offer and noted that the offer was non-binding, was subject to conditions, and the purchase price was significantly higher than the Altus Appraisal. DLA advised BC Frontier Housing Society's counsel of its concerns and provided the contact details for Colliers should they require any assistance or information.
- 7.6 Colliers launched the Sales Process on April 24, 2024, with an asking price of \$18.5 million. Subsequent to listing the Project the Receiver was issued the Altus Appraisal which indicated a market value, subject to various assumptions, of \$16.8 million. A copy of the Altus Appraisal is attached hereto as Appendix "**C**".
- 7.7 On November 4, 2024, Colliers prepared a marketing report (the "**Marketing Report**"), a copy of which is attached here to as Appendix "**D**". Select highlights of the marketing efforts outlined in the Marketing Report are as follows:
- a) ground and aerial photographs were obtained;
 - b) a customer brochure was developed and a 8x4 foot sign was installed at the Property;
 - c) a listing website was created ID # 2015216, which has generated over 1,500 exclusive views;
 - d) between May 1, 2024, and May 13, 2024, information was emailed to approximately 3,500 agents and/or potential interested parties; and
 - e) a total of 31 confidentiality agreements were executed, which allowed the parties access to the data room and other detailed property information.
- 7.8 As indicated in the Marketing Report, four (4) offers were received ranging from \$8 million to \$13.3 million with varying conditions. The Receiver engaged with various offerors seeking to finalize a viable offer.

- 7.9 On September 19, 2024, the Receiver entered into a purchase and sale agreement (the “**PSA**”) with Northstar Acquisitions Ltd. (“**Northstar**”). A copy of the PSA is attached hereto as Appendix “**E**”
- 7.10 Select key terms of the PSA are summarized in the table below. Note that capitalized terms not defined herein have the meaning ascribed to them in the PSA:

PSA – Key Terms	
Purchaser	NorthStar Acquisitions Ltd.
Purchase Price	\$10 million
Deposits	\$1 million (held in trust by Colliers)
Commission	\$250,000 (2.5% of gross proceeds)
Closing date	January 22 nd , 2025
Subjects	Offer is binding and subject to court approval no later than November 21, 2024, 21 days following the waiver of the Purchaser’s Conditions

- 7.11 The Receiver is supporting of the PSA for the following reasons:
- a) the purchase price is the highest and best offer received after an extensive marketing process;
 - b) the Petitioner is supportive of the PSA;
 - c) Northstar is known to the City of Port Coquitlam and is currently completing another development with their involvement;
 - d) all Buyer’s Conditions (as defined in the PSA) have been cleared and the closing date is in the near term;
 - e) the sale is not subject to financing; and
 - f) a deposit of \$1 million or 10% of the purchase price has been received.

8.0 RECEIVER'S CONCLUSION AND RECOMMENDATIONS

8.1 The Receiver respectfully recommends that this Honourable Court approve the PSA.

All of which is respectfully submitted to this Honourable Court this 7th day of November 2024.

Alvarez & Marsal Canada Inc.,
in its capacity as Receiver of
Quarry Rock Developments (McAllister) Inc.
Quarry Rock Developments (McAllister) Limited Partnership


Per: Anthony Tillman
Senior Vice President

Quarry Rock Developments Inc. et al¹
Cash Flow Forecast
For the period November 2, 2024 to January 31, 2025
(C\$000s)

Week	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	13 Week
Week Ending	8-Nov	15-Nov	22-Nov	29-Nov	6-Dec	13-Dec	20-Dec	27-Dec	3-Jan	10-Jan	17-Jan	24-Jan	31-Jan	Total
Notes														
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
Receipts						100								100
Receiver's certificates														
Total Receipts						100								100
Disbursements														
Utilities	3	-	1	-	-	-	1	-	-	-	1	-	-	3
Fencing	3	-	2	-	-	-	2	-	-	-	2	-	-	5
Security cameras	3	-	2	-	-	-	2	-	-	-	2	-	-	5
Dewatering	3	-	6	-	-	-	6	-	-	-	6	-	-	17
Metered water	3	-	0	-	-	-	0	-	-	-	0	-	-	1
Property manager fees	4	-	5	-	-	-	5	-	-	-	5	-	-	16
Professional fees - Receiver, counsel	5	-	10	-	-	-	30	-	-	-	30	-	-	70
Contingency	-	-	5	-	-	-	5	-	-	-	5	-	-	15
Total Disbursements	-	-	30	-	-	-	50	-	-	-	50	-	-	131
Net Cash Flow	-	-	(30)	-	-	100	(50)	-	-	-	(50)	-	-	(31)
Cash Position														
Opening Cash Position	66	66	66	36	36	36	136	86	86	86	86	35	35	66
Closing Cash Position	\$ 66	\$ 66	\$ 36	\$ 36	\$ 36	\$ 136	\$ 86	\$ 86	\$ 86	\$ 86	\$ 35	\$ 35	\$ 35	\$ 35

Quarry Rock Developments Inc. et al
First Cash Flow Forecast
Notes and Assumptions

1. The cash flow forecast (the “**First Cash Flow Forecast**”) is presented on a weekly basis from November 2, 2024, to January 31, 2025 (the “**Forecast Period**”) and was prepared by the Receiver based on unaudited financial information, and estimates of projected receipts and disbursements. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time.

The First Cash Flow Forecast is presented in Canadian dollars.

2. Receiver’s certificates are estimated to total \$100,000 over the Forecast Period. Pursuant to paragraph 23 of the Receivership Order the Receiver is authorized to borrow up to \$500,000.
3. Utilities, fencing, security cameras, dewatering and metered water costs of \$31,000 represent the ongoing site maintenance costs.
4. Property management fees of \$16,000 represent costs charged by VC Management Inc. in respect of site management oversight.
5. Professional fees of \$70,000 represent estimated professional fees for the Receiver and its counsel.

PURCHASE AND SALE AGREEMENT

[The Met]

THIS AGREEMENT dated for reference March 25, 2024

BETWEEN:

QUARRY ROCK DEVELOPMENTS (MCALLISTER) LIMITED PARTNERSHIP
By way of its General Partner QUARRY ROCK DEVELOPMENTS (MCALLISTER) INC.
201 – 20436 Fraser HWY, Langley B.C.

(the “**Seller**”)

AND:

MOSAIC SENIORS CARE SOCIETY
225 - 20316 56 Avenue, Surrey B.C.

(the “**Buyer**”)

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises contained herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 **Definitions.** In this Agreement:

- (a) “**Acceptance Date**” means, the date on which this Agreement is accepted and delivered by both parties;
- (b) “**Back-up Offer**” means the Seller acknowledges that this is a back-up offer and will only come into effect if the current Purchase and Sale agreement with NorthStar does not remove subjects on March 31, 2024.
- (c) “**Buildings**” means any building, improvements, structures, fixtures, appurtenances and attachments to the Property;
- (d) “**Business Day**” means, every day except Saturdays, Sundays, Easter Monday, December 24 through January 1 (inclusive), and statutory holidays in BC;
- (e) “**Buyer’s Condition Waiver Date**” means forty-five (45) days from the Acceptance Date of this Purchase and Sale Agreement;
- (f) “**Buyer’s Condition Waiver Notice**” has the meaning ascribed to it in Section 3.3;
- (g) “**Buyer’s Solicitors**” means Waterstone Law Group LLP Attn: Clint S. Harcourt;
- (h) “**City**” means the City of Port Coquitlam;
- (i) “**Completion Date**” means ninety (90) days after the Buyer’s Condition Waiver Date;
- (j) “**Delivery Date**” means the date that is 3 Business Days following the Acceptance Date;
- (k) “**Deposit**” means the sum of **Seven Hundred Fifty Thousand (\$750,000.00)**

- (l) **"Environmental Laws"** means all common laws, statutes, regulations, guidelines and bylaws of, or issued by or under the direction or authority of, any governmental authority relating to or in respect of the protection of the environment or in respect of Hazardous Substances including the *Environmental Management Act* (British Columbia) and *Canadian Environmental Protection Act* (Canada);
- (m) **"Hazardous Substances"** means any substance or material included in the definition of "hazardous product", "contaminant", "biomedical waste", "toxic substance", "deleterious substance", "special waste", "dangerous good", "pollutant" or "reportable substance", or any variation of any such term, in any Environmental Law or which is prohibited, controlled or regulated under or pursuant to any Environmental Law;
- (n) **"LTO"** means the Vancouver/New Westminster Land Title Office;
- (o) **"Nominee"** means **Quarry Rock Developments (McAllister) Inc.**, as applicable;
- (p) **"Permitted Encumbrances"** means the notations and charges, liens and interests set forth in Part 2 of Schedule A hereto;
- (q) **"Project"** means the development project that the Seller has been contemplating and working toward for the Property;
- (r) **"Project Documents"** means all information relating to the ownership and operation of the Property and the development of the Project within the possession or control of the Seller as described in Schedule B hereto;
- (s) **"Property"** means collectively, the lands and premises set forth in Part 1 of Schedule A hereto;
- (t) **"Purchase Price"** means **Twenty Five Million Dollars (\$25,000,000.00)**;
- (u) **"Purchased Assets"** means:
 - (i) the Property
 - (ii) the Project Documents; and
 - (iii) the Rights.
- (v) **"Rights"** means the benefits of all subsisting guarantees, warranties and indemnities relating to the Property and the Buildings;
- (w) **"Seller's Solicitors"** means McQuarrie Hunter LLP Attn: Eric Vandergriendt;
- (x) **"Statutory Authority"** means any ministry, agency, department or tribunal having jurisdiction over the Property pursuant to a statute, regulation, by-law or order of any level of government;
- (y) **"Tenants"** means any tenants/occupants in the Buildings;
- (z) **"Tenancy Agreements"** means any and all agreements with the tenants/occupants in the Buildings relating to said tenants/occupants occupancy of or other rights to the Buildings; and
- (aa) **"Transfer"** means a transfer in the form prescribed by the *Land Title Act* (B.C.) conveying the Property to the Buyer.

- 1.2 **Calculation of Time.** If the time for doing an act falls or expires on a day that is not a Business Day, the time is extended to the next day that is a Business Day.

ARTICLE 2- PURCHASE AND SALE, PURCHASE PRICE AND DEPOSIT

2.1 **Agreement of Purchase and Sale.** Subject to the terms and conditions of this Agreement, the Seller agrees to sell and the Buyer agrees to purchase the Purchased Assets for the Purchase Price on the Completion Date free and clear of all encumbrances other than Permitted Encumbrances.

2.2 **Payment of Purchase Price.** The Purchase Price for the Purchased Assets shall be paid by the Buyer as follows:

- (a) by way of the Deposit paid by way of certified cheque, bank draft, or wire transfer to the Buyer's Solicitor, in trust, not later than 5:00 p.m. on the 3rd Business Day following the day the condition precedent in Section 3.1 is satisfied or waived by the Buyer;
- (b) the balance of the Purchase Price, as adjusted in accordance with Article 8, shall be paid to the Seller's Solicitors on the Completion Date as provided in Article 10.

2.3 **Deposit.** The Buyer agrees that it will direct the Buyer's Solicitor to deposit the Deposit in trust account with a Canadian chartered bank forthwith following receipt thereof and to pay the Deposit and interest (if any) as may accrue thereon only as set out in this Agreement or as directed in writing by both the Seller and the Buyer or their respective solicitors or as directed by a court of competent jurisdiction. The Seller and the Buyer agree that the Deposit (or portion thereof then held by the Buyer's Solicitor) and interest (if any) will be paid as follows:

- (a) any interest earned on the Deposit shall be for the credit of the Buyer;
- (b) to the Seller:
 - (i) on account of the Purchase Price contemporaneously with the completion of the sale and purchase contemplated by this Agreement; or
 - (ii) if the purchase and sale contemplated by this Agreement is not completed by reason of the Buyer's default, applied as liquidated damages to the Seller as payment in full for all damages suffered by the Seller as a result of such default; and
- (c) to the Buyer: if the purchase and sale contemplated by this Agreement is not completed by reason of the Seller's default without prejudice to any other right or remedy of the Buyer for any damages suffered by the Buyer as a result of such default.

ARTICLE 3-- - CONDITIONS

3.1 **Buyer's Condition.** The Buyer's obligation to complete the transaction contemplated by this Agreement is subject to the Buyer and its consultants being satisfied with, in its sole discretion;

- (a) a review and approval of the Project Documents;
- (b) the state of title, including permitted encumbrances and registered charges, to the Property;
- (c) any inspection and condition reports the Buyer, in its sole discretion chooses to undertake, relating to the Property and the Buildings;

(d) the environmental condition of the Property, including a review of any current reports and conducting any additional reports as necessary; and

(e) The Buyer performing and being satisfied with, at its sole discretion, a feasibility study of the development potential on the Property;

on or before the Buyer's Condition Waiver Date.

3.2 **Waiver.** The condition precedent in Section 3.1 is for the sole benefit of the Buyer, in its sole discretion, and may be waived by it on or before the Buyer's Condition Waiver Date.

3.3 **Notice.** The Buyer shall advise the Seller in writing of satisfaction or waiver of the condition precedent in Section 3.1 ("**Buyer's Condition Waiver Notice**"). If the Buyer does not deliver the Buyer's Condition Waiver Notice as provided above this Agreement shall be null and void, and each of the parties hereto shall have no further obligations to nor rights against the other in respect of this Agreement.

3.4 **Consideration for Buyer's Conditions.** In consideration of \$10 Dollars non-refundable paid by the Buyer to the Seller, the Seller agrees not to revoke its acceptance of the Buyer's offer contained herein while this Agreement remains subject to the condition precedent in Section 3.1.

ARTICLE 4 DOCUMENTS, INSPECTION AND ENVIRONMENTAL

4.1 **Project Documents.** The Seller covenants that by the Delivery Date it will deliver the Project Documents to the Buyer. The Seller further covenants that it will until the Completion Date provide the Buyer reasonable access to Property files and the Buyer shall be entitled to make photocopies of such of the material in those files as the Buyer may request.

4.2 **Inspection.** The Buyer and its advisors shall be entitled upon not less than 24 hours' notice to the Seller to enter the Property (subject to the rights of the Tenants) at any time until the Completion for the purpose of carrying out reasonable tests, inspections, surveys and studies of the Property. The Buyer shall indemnify the Seller against any and all liabilities, damages, liens, expenses, losses, costs and actions arising out of access to the Property by the Buyer or its advisors prior to the Completion Date. The Buyer covenants to repair any damage to the Property arising from such access and investigations on the Property. This covenant of indemnity and repair shall survive any termination of this Agreement. In carrying out such tests and inspections the Buyer shall not disrupt or unduly interfere with the Tenants.

The Seller shall be entitled to have its consultants attend with the Buyer or its representatives at the time of such tests, inspections, surveys or studies.

4.3 **Inquiries of Statutory Authorities.** The Seller shall authorize upon request all Statutory Authorities and any person to disclose to the Buyer such information in connection with the Purchased Assets as may be reasonably required by the Buyer or, upon request, shall obtain such information at the cost of the Buyer.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES

5.1 **Seller's Representations and Warranties.** Regardless of any independent investigations that the Buyer may cause to be made, the Seller represents and warrants that:

(a) the Seller is a company duly organized, validly existing and in good standing under the laws of British Columbia and has sufficient power, authority and capacity to enter into this Agreement and to carry out the transaction contemplated by this Agreement, all of which have been duly and validly authorized by all necessary corporate proceedings;

- (b) the Seller has, and will transfer to the Buyer on the Completion Date, good and marketable title legal and beneficial to the Purchased Assets free and clear of all charges, liens and interest, except for Permitted Encumbrances;
- (c) the Seller is not aware of any outstanding municipal work orders, fire up-grading requirements, health orders or other notices of building deficiencies from any applicable Statutory Authority relating to the Property;
- (d) the Seller has received no notice, and has no knowledge of, any intention of any Statutory Authority to expropriate all or any part of the Property or any intention of the City are located to alter its zoning by-law or official community plan so as to affect or potentially affect the Property;
- (e) the Seller is not a non-resident of Canada within the meaning of the *Income Tax Act*;
- (f) to the best of the Seller's knowledge, there are no Hazardous Substances in, on or affecting the Property, the Property has never been used as a landfill site or to store, either above or below ground in storage tanks or otherwise, gasoline, oil or any Hazardous Substances, no Hazardous Substances have ever been located on or in the Property and the Seller has never received any written notice from any applicable Statutory Authority with respect to the presence of any Hazardous Substances in, on or affecting the Property, except as may be disclosed in the environmental reports which will be delivered to the Buyer as Project Documents under section 3.1 of this Agreement;
- (g) in connection with the Tenants:
 - (i) the Tenancy Agreements delivered to the Buyer pursuant to Section 3.1 constitute all the Tenancy Agreements in respect of the Property;
 - (ii) the Tenancy Agreements are all valid and subsisting and enforceable against the respective Tenants, the Tenants and the Seller are not in default or any of their respective obligations thereunder, there are no existing disputes thereunder, they have not been modified, extended, renewed or assigned by the Tenants and they constitute the whole of the respective agreements between the Seller and each of the Tenants;
 - (iii) the Seller has not received and is not entitled to receive any deposits or prepaid rents (except rent for the current month) and a security deposit not exceeding ½ month's rent;
 - (iv) none of the Tenants are entitled to any capital contributions, tenant allowances, inducements or concessions which have not been fully paid or satisfied by the Seller and the Seller is not obliged to pay any of the Tenants for improvements, fixtures or equipment during or on termination of any term or renewal thereof; and
 - (v) the Seller is not aware of any pending requests from Tenants regarding assigning, sub-letting or otherwise parting with possession of their premises.
- (h) the Seller has received and reviewed a copy of the current state of title and is aware of the legal action related to the property.

5.2 **Survival of Representations and Warranties.** The representations and warranties of both parties contained in this Agreement shall survive the Completion Date.

ARTICLE 6 - GENERAL COVENANTS

6.1 **Covenants of the Seller.** The Seller covenants and agrees that:

- (a) from and after the date of this Agreement to the Completion Date, it will
 - (i) upkeep, maintain and repair the Property in its present condition, reasonable wear and tear excepted, and will operate the Property in the same manner as it currently does;
 - (ii) maintain in full force and effect the current insurance coverage it now maintains in respect of the Property until the Completion Date;
- (b) from and after the Acceptance Date, it will not enter into any agreement to lease or tenancy agreement or any modification of the Tenancy Agreements without notice to the Buyer; and
- (c) from and after the Acceptance Date until the Completion Date, it will on each request of the Buyer, give legal notices to end those Tenancy Agreements that the Buyer chooses, in its sole discretion.

ARTICLE 7- RISK

7.1 **Risk.** The Property shall be at the risk of the Seller until completion of closing on the Completion Date and the proceeds of any insurance policy relating to the Property shall be held in trust by the Seller and assigned to the Buyer with the completion on the Completion Date.

7.2 **Damage.** If, prior to the time of submission for registration of the Transfer on the Completion Date, any loss or damage occurs to the Property and the loss or damage is, in the opinion of the Buyer, acting reasonably, in excess of \$100,000.00, the Buyer may elect by notice to the Seller, within 7 Business Days of notice from the Seller of the loss or damage, to complete the Transaction and to receive any insurance proceeds which shall be assigned by the Seller to the Buyer, or to terminate this Agreement and in such event the Deposit, plus accrued interest thereon, will be returned to the Buyer and no party will have any obligation to the other parties under this Agreement except for any confidentiality obligations of the parties set out in this Contract. If the Buyer does not give notice of election to the Seller within such time period, the Buyer will be deemed to have elected to terminate this Agreement. If the loss or damage is, in the opinion of the Buyer, acting reasonably, less than \$100,000.00, the Buyer shall complete the purchase of the Purchased Assets and the Seller shall assign any insurance proceeds to the Buyer unless such damage is fully repaired to the satisfaction of the Buyer, acting reasonably, prior to the Completion Date. If the Seller disagrees with the Buyer's calculation as to the amount of such loss or damage, the parties agree the same shall be submitted to a licensed quantity surveyor chosen by the Seller and the Buyer acting reasonably, who shall determine such calculation and the costs of such quantity survey shall be borne equally by the parties. To the extent insurance proceeds are inadequate to repair any damage, and where the Buyer has elected or is required to complete the purchase of the Purchased Assets, the Purchase Price shall be reduced by such shortfall.

ARTICLE 8 - ADJUSTMENTS AND RELATED MATTERS

8.1 **Adjustments.** All adjustments, both incoming and outgoing, with respect to the Purchased Assets, including taxes, utilities, rents, deposits and interest thereon (if any), licenses, prepaid rents, free rents, other tenant inducements and other items normally adjusted between a Seller and Buyer in the sale of similar properties shall be adjusted as of the Completion Date so that the Seller will bear and pay all expenses and receive all income related to the Purchased Assets accruing prior to the Completion Date and, from and including the Completion Date, the Buyer will bear and pay all expenses and receive all income related to the Purchased Assets.

ARTICLE 9 - POSSESSION

9.1 **Possession Date.** The Buyer shall have possession of the Purchased Assets as of the Completion Date subject to the Permitted Encumbrances.

ARTICLE 10- CLOSING

10.1 **Closing.** The closing of the purchase and sale of the Purchased Assets shall commence at 10:00 a.m. on the Completion Date in the offices of the Seller's Solicitors.

10.2 **Seller's Closing Documents.** On or before the Completion Date, the Seller will deliver to the Seller's Solicitors in trust to be held in escrow as hereinafter provided the following duly executed as appropriate:

- (a) a Transfer from the Nominee;
- (b) an assignment and assumption of the Tenancy Agreements not otherwise terminated pursuant to section 5.1(c);
- (c) an assignment of the Rights;
- (d) a statement of adjustments;
- (e) a statutory declaration by an authorized officer of the Seller that the Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (f) a notice from the Seller to the Tenants giving notice of the sale of the Property and directing that rent be paid to the Buyer or as the Buyer may direct;
- (g) all keys to the Property that the Seller has in its possession or control;
- (h) to the extent in its possession, originally executed copies of the Tenancy Agreements and originals of the other Project Documents;
- (i) a certificate dated the Completion Date of the Seller, executed by an authorized signatory of the Seller, having knowledge of the facts certifying that the representations and warranties set out in Section 4.1 are true and correct as at the Completion Date and that the Seller's covenants and agreements to be observed or performed on or before the Completion Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects, with particulars of any applicable exceptions; and
- (j) all such further documents as may be reasonably required by the Buyer to give effect to this Agreement.

10.3 **Buyer's Closing Documents.** On or before the Completion Date, the Buyer will duly execute as appropriate and deliver to the Seller's Solicitors in escrow as hereinafter provided the following:

- (a) an assignment and assumption of the Tenancy Agreements;
- (b) an assumption of all obligations accruing on or after the Completion Date under the Permitted Encumbrances in such form as the Seller may reasonably require;
- (c) a statement of adjustments;
- (d) a GST Certificate confirming the Buyer's status as a GST registrant; and
- (e) all such further documents as may be reasonably required by the Seller to give effect to this Agreement.

On or before the Completion Date, the Buyer will deliver to the Buyer's Solicitors in trust funds in an amount equal to the adjusted Purchase Price due to the Seller on the Completion Date.

10.4 **Preparation and Form of Documents.** The closing documents contemplated in Sections 9.2 and 9.3 will be prepared by the Buyer's Solicitors (to the extent that preparation is required) and delivered to the Seller's Solicitors for approval at least **5 business days** prior to the Completion Date. All documents referred to in Sections 9.2 and 9.3 shall be in form and substance reasonably satisfactory to the solicitors for both parties.

10.5 **Closing.** All documents and cheques or bank drafts and other items delivered by the Buyer and the Seller, except the Transfer, shall be held in trust by the Buyer's Solicitors or the Seller's Solicitor's, as applicable, until the Transfer has been deposited by the Buyer's Solicitors and accepted for registration in the LTO applicable for the Property and a satisfactory post-submission for registration search has been received showing that title to the Property will be registered in the name of the Buyer subject only to Permitted Encumbrances and any encumbrances granted by or claimed through the Buyer at which time all documents and monies will be released by the Seller's Solicitors and the Buyer's Solicitors to the appropriate parties. It will be a condition of the closing that all matters of payment, execution and delivery of documents by each party to the other and the registration and indexing of documents in the LTO, all pursuant to the terms hereof, shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the closing until everything required as a condition precedent at the closing has been paid, executed and delivered and until the Transfer has been submitted for registration as contemplated herein.

ARTICLE 11 - MISCELLANEOUS

11.1 **Further Assurances.** Each of the parties shall execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.

11.2 **Entire Agreement.** This Agreement including schedules, constitutes the entire agreement between the Seller and the Buyer pertaining to the purchase and sale of the Purchased Assets and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Seller and the Buyer and there are no warranties, representations, covenants or agreements between the Seller and Buyer except as set forth herein.

11.3 **Amendments.** This Agreement shall not be amended except in a written agreement executed by both the Buyer and the Seller and stated to be an amendment of this Agreement.

11.4 **Notices.** Any notice, document or communication required or permitted to be given hereunder shall be in writing and delivered by hand or delivered electronically to the party to which it is to be given as follows:

To the Buyer:

at the address set out above
Attention: Rizwan Gehlen

With a copy to:

Waterstone Law Group LLP
#304, 20338 65th Avenue
Langley BC V2Y 2X3
Email: charcourt@waterstonelaw.com

Attention: Clint S. Harcourt

To the Seller:

at the address set out above
Attention: Matt Weber

With a copy to:

McQuarrie Hunter LLP
1500, 13450 102nd Ave,
Surrey, BC V3T 5X3

Fax No. (604) 581-7110
Email: evandergriendt@mcquarrie.com

Attention: Eric Vandergriendt

or to such other address in Canada as either party may advise in writing.

11.5 Fees. Each of the parties will pay its own legal fees and fees of its consultants. The Buyer shall pay all registration costs, property transfer tax and social services tax payable in connection with its purchase of the Purchased Assets.

11.6 GST. It is acknowledged and agreed by the Seller and the Buyer that the Purchase Price does not include Goods and Services Tax. The Buyer is (or will be on the Completion Date) a registrant under the *Excise Tax Act* and shall pay to Canada Revenue Agency pursuant to the *Excise Tax Act*, or account for all goods and services or harmonized tax payable in respect of the sale and purchase of the Purchased Assets pursuant to this Agreement and shall provide to the Seller on closing a certificate in form acceptable to the Seller's Solicitors, acting reasonably, in order to release the Seller from its obligation to collect and remit any goods and services tax with respect to this transaction.

11.7 Time. Time shall be of the essence of this Agreement.

11.8 Tender. Any tender of documents or money may be made upon the party being tendered or upon its solicitors and money may be tendered only by certified cheque, certified solicitor's trust cheque or bank draft.

11.9 Enurement. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

11.10 Assignment. The Buyer may assign its rights under this Agreement without the prior written consent of the Seller provided that in the event of any such assignment by the Buyer, the Buyer shall be released from its liabilities and obligations hereunder.

11.11 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

11.12 Currency. All dollar amounts referred to are Canadian dollars.

11.13 Counterparts. This Agreement may be executed in counterparts and, when each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all of such counterparts when taken together shall constitute one and the same agreement.

11.14 Facsimile Execution. This Agreement may be executed by the parties and transmitted by telecopy and if so executed and transmitted, this Agreement will be for all purposes as effective as if the parties had delivered and executed an original Agreement.


11.15 Additional Terms and Conditions. The Additional Terms and Conditions attached hereto as Schedule "C", if any, are included as terms and conditions of this Agreement.

11.18 Acceptance Date. This offer shall be open for acceptance by the Buyer up to 5:00 p.m. on **March 26, 2024**, and upon mutual acceptance, will constitute a binding agreement for the purchase and sale of the Purchased Assets on the terms and conditions contained herein. In the event that this offer is not accepted by the receiving party on or before the aforesaid time and date, then this offer shall be null and void.

[Execution Page Follows – Purchase and Sale Agreement The Met]

IN WITNESS WHEREOF this Agreement has been executed as of the date first above written.

**QUARRY ROCK DEVELOPMENTS (MCALLISTER)
LIMITED PARTNERSHIP by its General Partner
QUARRY ROCK DEVELOPMENTS (MCALLISTER)
INC.**

Per: 
Print Name: Richard Lawson

Per: _____
Print Name: _____

IN WITNESS WHEREOF this Agreement has been executed as of the date first above written.

MOSAIC SENIORS CARE SOCIETY

Per: 
Print Name: Rizwan Gehlen

Per: _____
Print Name: _____

SCHEDULE A

LEGAL DESCRIPTION AND PERMITTED ENCUMBRANCES

Part 1 – Property Description

CIVIC ADDRESS: 2245 MCALLISTER AVE PORT COQUITLAM V3C 2A9

PARCEL IDENTIFIER: 031-366-708

LEGAL DESCRIPTION: LOT 1 DISTRICT LOT 379 GROUP 1 NEW WESTMINSTER DISTRICT PLAN
EPP107096

Part 2 – Permitted Encumbrances

None.

SCHEDULE B

PROJECT DOCUMENTS

1. Copies of plans and specifications for and relating to the Buildings and the construction thereof in the Seller's possession or control.
2. Copies of the latest survey certificates of the Property showing the boundaries of the Property and any improvements thereon as well as the topography of the Property.
3. Copies of the development permit (with architectural and landscape drawings) for the Project.
4. Copies of all the municipal planning and engineering reports for the Project or relating to the Property.
5. Contact information for the municipal planner and engineer overseeing the development of the Project/Property, together with copies relevant correspondence from such planner and engineer.
6. A Property Disclosure Statement, to form part of this agreement.
7. Copies of all Tenancy Agreements pertaining to the Property.
8. Copies of any guarantees, warranties and indemnities affecting the Property, the Buildings or the Project in the possession or control of the Seller.
9. A list describing any chattels included in the Purchased Assets.
10. Copies of environmental assessment reports and any reports, studies, test results, notices (including notices from any Statutory Authority) or any other relevant information or documentation relating to the Property or any property adjacent thereto.
11. Operating statements for the Property for the last complete year of operation and a current year to date statement.
12. Copy of insurance relating to the Property.
13. Copy of any Trust Agreement pursuant to which the Seller may hold title to the Property (the "**Trust Agreement**").

SCHEDULE C

ADDITIONAL TERMS AND CONDITIONS

1. **Commission.** The Seller will be responsible for all commissions payable to the Agent in connection with the sale and purchase of the Property. The Buyer will have no obligation to pay any real estate commission in connection with the sale and purchase of the Property and the Seller will indemnify and save the Buyer harmless from any such payment.
2. **Option to Purchase.** If any of the Deposit is payable directly to the Seller prior to the Completion Date, the Buyer may deliver such funds to the Buyer's solicitors, in trust and such funds will be released directly to the Seller concurrently with the Seller delivering to the Buyer a registrable short form Option to Purchase the Property to secure the Buyer's right to purchase the Property on the terms and conditions set out in this Agreement. The Option will be in a form acceptable to both parties' solicitors, acting reasonably, and will provide that to the extent there may be any inconsistencies between the Option to Purchase and this Agreement, this Agreement will prevail.
3. **Share Purchase.** If legal title to the Property is held on behalf of the Seller by the Nominee as a bare trustee pursuant to a Trust Agreement, at any time within thirty (30) days of the Completion Date, the Buyer, in its sole discretion, may elect to acquire the Purchased Assets by way of a purchase of all the issued and outstanding shares of the Nominee (the "**Share Transfer**"), in which case, the Seller will cause the shareholders/principals of the Seller and/or the beneficial owners of the Property (as applicable) to sign and implement the Share Transfer on terms and conditions common within the real estate industry for the transfer of shares of a company whose primary asset is legal title (but not beneficial title) to the subject property. The Share Transfer will include those terms and conditions set out in Schedule "E", as applicable. In the event the Buyer and the Seller are unable to agree on any material terms and conditions of such a Share Transfer, the Buyer may elect to close the transaction on the basis of an asset/land purchase.
4. **Development.**
 - a. Following the Acceptance Date, the Seller, at its own cost and expense, will expeditiously and in good faith continue to advance the Project until Fourth Reading Approval is obtained from the City.
 - b. The Seller shall be responsible for all costs associated with preparing the Servicing Agreement for the approval by the City and advancing the Project to Fourth Reading Approval, but shall not be required to post any Security Funds with the City.
 - c. The Buyer shall be responsible for posting any and all Security Funds required by the City.
5. **Correspondence.** From and after the date of this Agreement to the Completion Date, the Seller will keep the Buyer informed of all correspondence and communications among the Seller, the City authorities and the consultants that prepared any of the Project Documents, regarding the Project, the Project Documents and the Property.
6. **Payment of Costs.** The Seller shall be responsible for, and covenants that it will pay when due (and in any event, prior to the Completion Date), all of the costs for work commissioned by the Seller relating to the Project and the Project Documents up to and including the satisfaction of the Servicing Agreement Condition, including all architectural, legal, survey, civil, environmental, landscape architect, geotechnical, structural, electrical, mechanical, building code and building envelope consultants' costs.
7. **Transmittal Letters.** The Seller will provide at least 14 days prior to the Completion Date, Letters of Transmittal in substantially the form attached hereto as Schedule D for each of the key consultants from which the Seller commissioned work relating to the Project and the Project Documents, authorizing the

Buyer to use, modify and rely on such Project Documents (including the architectural plans and specifications, and any legal, survey, civil, environmental, landscape architect, geotechnical, structural, electrical, mechanical, building code and building envelope drawings, documents, reports, investigations, assessments, audits, studies, permits, licenses and records relating to the Project).

8. **Confidentiality Obligations.** The parties shall keep the terms and existence of this Agreement (the "**Confidential Information**") strictly confidential and shall not disclose the Confidential Information prior to the completion of the transaction, except that the parties may disclose the Confidential Information to their advisors and creditors, or as otherwise contemplated in this Agreement, but only to the extent that such third parties need to know the Confidential Information and have been informed of the confidential nature of the Confidential Information.

SCHEDULE D

FORM OF TRANSMITTAL LETTER

[Consultant's Letterhead]

[Date]

Attention: _____

Re: **Transmittal Letter / Letter of Reliance:** _____

With respect to the above-noted property (the "**Site**"), we hereby confirm that » (the "**Client**") has previously retained us as a consultant in relation to the Site. During our retainer as a consultant to the Client in relation to the Site, we prepared various reports, drawings, surveys and applications and carried out various tasks for the Client (all of which is herein referred to as the "**Work-in-Progress**"), including, but not limited to *[check boxes, as applicable]*:

- ☐ survey(s) of the Site showing the boundaries of the Site and any improvements thereon as well as the topography of the Site;
- ☐ environmental reports, investigations, assessments, audits, studies, permits, licenses and records with respect to the Site;
- ☐ geotechnical reports, investigations, assessments, audits, studies, permits, licenses and records with respect to the Site;
- ☐ architectural drawings and renderings for the Site;
- ☐ landscape architectural drawings and renderings for the Site;
- ☐ the development permit application (with architectural and landscape drawings) for the Site;
- ☐ the building permit application (with architectural drawings) for the Site;
- ☐ fee proposals and contracts;
- ☐ _____;

The undersigned confirms that the Client has paid for the Work-in Progress in full and there are no further amounts due and owing by the Client to us in relation to the Work-in-Progress.

As requested by the Client, the undersigned hereby confirms that you shall be entitled to rely on and use the Work-in-Progress as if the Work-in-Progress was originally commissioned by you.

Yours truly

SCHEDULE E

SHARE PURCHASE TERMS

If the Buyer elects to complete the Share Transfer pursuant to Schedule C, Section 3, the following terms and conditions shall apply:

1. On the Completion Date, the Seller will deliver to the Buyer all transfers, assignments, certificates and further documents as may be required for the purpose of effecting the transfer of the Shares (herein defined), free and clear of all encumbrances, claims and security interests, except the Permitted Encumbrances.
2. By the Completion Date, the Seller will cause the Nominee, the beneficial owner of the Property and the Shares (the "**Beneficial Seller**") to represent and warrant to the Buyer as follows:
 - a. the Beneficial Seller is the sole beneficial owner of the Property and the Shares pursuant to the Trust Agreement;
 - b. the Beneficial Seller holds legal title to all the issued and outstanding shares in the capital stock of the Nominee (the "**Shares**"), free and clear from any liens, claims, charges or encumbrances by statute or at law or in equity;
 - c. the Beneficial Seller has the corporate capacity, power and authority to sell and transfer the Shares to the Buyer pursuant to this Agreement;
 - d. the Nominee does not carry on, and has not since the date of its incorporation ever carried on any business other than as bare trustee of title to the Property for the Beneficial Seller pursuant to the Trust Agreement, and other than the Property, the Nominee does not hold any other property or assets either for itself beneficially or as trustee for any other party;
 - e. the Shares have been duly and validly allotted and issued and are fully paid and non-assessable and are legally and beneficially owned by the registered owner thereof free and clear of any voting agreement, voting trust or other agreement, limitation or restriction of any nature;
 - f. the Nominee has not assumed, guaranteed, endorsed or otherwise become liable for the obligation of any person, firm or corporation except in its capacity acting as the bare trustee of the Property;
 - g. the corporate records book of the Nominee has been maintained as required by all governing laws, are accurate, complete and current and contain complete and accurate minutes of all meetings of and all resolutions passed by the directors and shareholders of the Nominee since the date of the incorporation of the Nominee, the share certificates, central securities register and register of directors;
 - h. no director or officer, or former director or officer, of the Nominee has made or asserted, or will be entitled to make or assert, any claim of any nature against the Nominee or the Property;
 - i. neither the Beneficial Seller nor any other person has or will have any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option to require the Nominee to allot or issue any further or other shares or any other security or other instrument convertible or exchangeable into shares or to convert or exchange any security or other instrument into or for shares or for the allotment or issuance of any of the unissued shares of the Nominee;

- j. as of the Completion Date, the Nominee will have no direct or indirect liabilities of any kind, whether or not accrued, and whether or not known or unknown, determined or undetermined, contingent or otherwise, in respect of which the Nominee is or may be liable on or after the Completion Date except with respect to liabilities under documents executed by the Nominee in its capacity as bare nominee and trustee for the Beneficial Seller;
 - k. the Nominee has no liability, contingent or otherwise, for taxes, has made no elections under any income tax legislation and has filed any federal or provincial tax returns required; and
 - l. the Nominee has no employees.
3. Instead of filing the Transfer at the LTO as contemplated by this Agreement, in the event of the Share Transfer the documents required to complete the transaction contemplated in this Agreement shall include:
- a. a written direction from the Beneficial Seller to the Nominee that from and after the Completion Date, the Nominee will hold the legal title of the Property in trust for the Buyer;
 - b. resignations in writing of the current directors and officers of the Nominee;
 - c. certified copies of the resolutions of the members of the Nominee electing such persons as the Buyer may direct as directors of the Nominee;
 - d. ratified copies of resolutions of the directors of the Nominee authorizing the transfer of the Shares to the Buyer and the issuance of new share certificates representing the Shares in the name of the Buyer;
 - e. the share certificates representing all the Shares, duly endorsed for transfer to the Buyer or as directed by the Buyer and a duly executed share certificate in the name of the Buyer or as directed by the Buyer representing all of the Shares;
 - f. a release by the Beneficial Seller of all claims against the Nominee;
 - g. all records, books of account, financial records and tax returns of the Nominee including, without limitation, minute books, share register books, share certificate books, annual reports and all agreements to which the Nominee is a party, including agency and trust agreements;
 - h. the common seal of the Nominee, if any; and
 - i. such other documents as the parties may require, acting reasonably, to document the transaction herein contemplated.
4. The documents contemplated by Section 3 of this Schedule shall be delivered by the Nominee in escrow, on terms to be agreed between the Seller's Solicitors and the Buyer's Solicitors, each acting reasonably, together with corresponding resignations of the directors and Officers of the Nominee appointed by the Buyer and necessary authorizing resolutions, in order that the Buyer's directors may execute and deliver any mortgage security documents being relied upon to finance the Purchase Price.
5. All other terms and conditions of this Agreement shall apply in the event of the Share Transfer.



Altus Group

The Met

2245 McAllister Avenue,
Port Coquitlam, BC

Appraisal Report

Effective Date: May 16, 2024

PREPARED FOR

Alvarez & Marsal Canada
925 West Georgia Street, Suite 902
Vancouver, BC
V6C 3L2

Taylor Poirier

Alvarez & Marsal Canada
925 West Georgia Street, Suite 902
Vancouver, BC, V6C 3L2

Dear Taylor:

RE: The Met 031-366-708

2245 McAllister Avenue,, Port Coquitlam, BC

In accordance with your request by way of an email dated April 19, 2024 and as per the terms of reference (TOR) provided herein, I have provided an opinion of the current market value on an all-cash basis of the fee simple interest in the subject property as at the effective date of May 16, 2024. The authorized user of this report is Alvarez & Marsal Canada. The authorized use is to assist in the sale and no other use. No additional authorized users are identified or authorized by the author.

This Appraisal Report and Appendices must be read as a whole as sections taken alone may be misleading and lead the reader to an incorrect conclusion. Information provided by the client and collected through market research and analyses are stored in the working file. This assignment has been completed in accordance with the Scope of Work as outlined in Section 0.

Subject to the Ordinary Assumptions and Limiting Conditions in Appendix A and the Extraordinary Limiting Conditions in Section 1.3 and the Extraordinary Assumptions in Section 1.4 and the Hypothetical Conditions in Section 1.5, it is my opinion that the current market value of the fee simple interest in the subject property, effective May 16, 2024, is:

\$16,800,000

Sixteen Million Eight Hundred Thousand Dollars

(\$161 per buildable foot including value of improvements incurred to date)

I estimate that an exposure time of 3 to 6 months would have been required prior to the effective date to sell the subject property at its current market value. Should you have any questions, please contact David Eger B.Com, RI, AACI, MRICS at your convenience.

Respectfully submitted,

Altus Group Limited

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Appendices

Appendix A Altus' Terms of Reference

Appendix B Visual Identification



The Met
2245 McAllister Avenue, Port Coquitlam, BC

Executive Summary

Appraisal Summary

Site Information	
Municipal Address / Location	2245 McAllister Avenue,, Port Coquitlam, BC
Property Identifier (PIN/PID)	031-366-708
Site Area	33,657 sf
Site Improvements	Excavation and Foundation partially complete as at the date of valuation
Municipal Services	Assumed to lot line
Current Use	Development Site Under Construction.
Land Use Controls	CD41 - Comprehensive Development Zone 41 (Site Specific Zone)
Proposed Development	<p>80 Strata Condo Units and 7 Strata Commercial Units.</p> <p>Total Proposed Gross Floor Area above grade of 105,291 sf.</p> <p>FSR of 3.13 based on Total Proposed Gross Area</p> <p>FAR of 2.09 taking into consideration Exclusion Areas as per plans provided</p> <p>92 Parking Stalls (<u>which is less than required/allowed</u>)</p> <p>Net Retail Area of 19,968 sf (7 units)</p> <p>Net Residential Area of 69,813 sf (873 sf average unit size)</p> <p>85% Building Efficiency blended</p>
Highest and Best Use (as vacant)	Mixed use Residential/Commercial Development Site

Valuation Summary

Effective Date	May 16, 2024		
Interest Appraised	Fee simple interest	Exposure Time	3 to 6 months
Direct Comparison Approach	\$16,800,000 including value of improvements incurred to date.	Primary Unit Value	\$100 per buildable sf for the land plus estimated value of improvements incurred to date of \$61 per buildable sf for a total of \$161 per buildable sf.

Market Value

\$16,800,000

Sixteen Million Eight Hundred Thousand Dollars
(\$161 per buildable foot including value of improvements incurred to date)

Appraisal



1 Introduction

1.1 Terms of Reference

The following table provides a summary of the terms of reference (TOR) guiding this appraisal assignment. The TOR were provided by Taylor Poirier of Alvarez & Marsal Canada. This report is subject to the TOR outlined below, as well as the Ordinary Assumptions and Limiting Conditions outlined in Appendix A and the Extraordinary Limiting Conditions in Section 1.3 and the Extraordinary Assumptions in Section 1.4 and the Hypothetical Conditions in Section 1.5. Please also refer to Appendix A of this report for definitions of Market Value and Highest and Best Use.

Terms of Reference	
Client	Alvarez & Marsal Canada
Authorized User	Same as client above. No other users are identified or authorized by the author.
Authorized Use	To assist in the court ordered sale and no other use
Purpose	To provide an opinion of the current market value on an all-cash basis, of the fee simple interest in the property, taking into consideration the value of the improvements incurred to date.
Ownership	Quarry Rock Development, as detailed in Section 1.6
Interest to be Valued	100% fee simple interest
Effective Date	May 16, 2024
Signing Date of the Report	May 16, 2024
Current Use of Property	Development of a mixed used retail/residential building currently under construction
Municipal Address/Location	2245 McAllister Avenue,, Port Coquitlam, BC
Property Identifier (PIN)	031-366-708

1.2 Scope of Work

The scope of work has included the following:

- ▶ An inspection of the subject property site, as well as the surrounding neighbourhood, was completed on May 12, 2024. The photographs contained herein were taken on May 12, 2024
- ▶ Review of publicly available physical, legal, social, political, economic and other factors that could affect the value of the subject property.
- ▶ Collection of municipal information pertaining to the subject property, including but not limited to planning information, assessment and availability of municipal services.
- ▶ Review of documentation relating to the subject property provided by the client or their agent.
- ▶ Research of transactional data on properties comparable to the subject.
- ▶ Estimation of the highest and best use, as at the Effective Date.
- ▶ Consideration of the possible effect on value of an assemblage and there is deemed to be none
- ▶ Consideration of the possible effect on value of anticipated public or private improvements and there is deemed to be none
- ▶ Completion of a narrative report outlining background, descriptions, analyses and value conclusion(s)
- ▶ The analysis set out in this report relied on written and verbal information obtained from a variety of sources that are considered reliable.
- ▶ Unless otherwise stated herein, client-supplied information was not verified and is believed to be correct. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration; full documentation or confirmation of all information by reference to primary sources was not completed.

The following was not included in the scope of work for this assignment:

- ▶ A title search was not conducted.
- ▶ This valuation does not consider any personal property
- ▶ Findings that may be discovered through a more rigorous due diligence mandate
- ▶ A technical investigation such as the following was not completed:
 - ▶ an environmental review of the property
 - ▶ investigations into the bearing qualities of the soil
 - ▶ a site survey
 - ▶ if land is improved, detailed inspections or engineering review of the structure, roof or mechanical systems,
 - ▶ audit of financial and legal arrangements concerning the subject property leases, if any.

1.3 Extraordinary Limiting Conditions

An Extraordinary Limiting Condition, as defined in Section 3.29 of CUSPAP 2024, is a necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report.

Extraordinary Limiting Conditions	
Inspection	The subject property was inspected David Eger, B.Comm, RI, AACI, P.App, MRICS on May 12, 2024.
Financing	For the purpose of this appraisal, we have assumed that the property is free and clear of all financing.
Title	A full search and interpretation of the title are beyond the scope of this assignment. This appraisal report is contingent on the expectation that there are no material encumbrances that may be attached to legal title that would affect value unless otherwise noted. However, as these can have a significant impact on the market value and/or marketability, legal advice is recommended.
Soil Conditions	It is assumed that there are no hidden or unapparent conditions of the soil or sub-soil which would render the subject property more or less valuable than reported in the appraisal. No engineering tests were completed, and no liability is assumed for soil conditions. It is strongly advised that the advice of appropriate experts be sought.
Environmental Conditions	In conducting our appraisal of the real estate, we have not reviewed environmental reports. Therefore, the market value as concluded in this report assumes that the property is not adversely impacted by environmental contamination. Should the presence of contaminants be discovered, the value estimate would be subject to review.
Market Conditions	The value conclusions are based on market conditions as of the effective date of this report. While current fundamentals appear to support the values contained herein, we emphasize our value estimates are subject to potential market fluctuations (either downward or upward) between the effective date and any future date of sale. We cannot be held responsible for unforeseeable changes in market conditions occurring beyond the effective date of the appraisal.

1.4 Extraordinary Assumptions

An Extraordinary Assumption, as defined in Section 3.28 of CUSPAP 2024, is an assumption, directly related to a specific assignment, which, if were not assumed to be true, could materially alter the opinions or conclusions.

This report is subject to the following Extraordinary Assumptions:

Extraordinary Assumptions	
Project Areas	<p>It is an Assumption of this report that the project areas and unit numbers set out within this document are correct. We reserve the right to amend the value conclusion within this report if further information should be provided.</p> <p>Based on information provided, the proposed project comprises 80 Strata Condo Units and 7 Strata Commercial Units.</p> <p>The total proposed Gross Floor Area above grade of 105,291 sf or 3.13 FSR based on actual above grade area and a reported FAR of 2.09 taking into consideration area exclusions.</p> <p>For the purpose of this report, it is an Assumption that the proposed project is fully approved and permitted on the subject property as at the date of valuation and is Physically Possible. We reserve the right to amend the value conclusions within this report if further information should be provided. Further Legal and Engineering Advice is recommended for certainty.</p>
Off Site & Civil Servicing Costs	<p>We have not been provided details of off-site works nor an off-site works budget for the contemplated development. Costs associated with road and service upgrades, and the proposed development's requirement to fund such costs, have not been considered. It is an Assumption of this report that off-site costs associated with the development are in line with costs incurred in other similar developments in the marketplace. It is advised that the advice of civil engineering professionals be sought.</p>
Costs incurred to date	<p>We have been provided with a summary of Costs Incurred to Date. It is an assumption of this report that the information provided with respect to Costs Incurred to Date is correct and complete. Engineering advice is strongly recommended to confirm this assumption.</p>
Structural soundness of completed work	<p>It is an assumption of this report that all work done to date is structurally sound and conforms to all building codes. Engineering advice is strongly recommended to confirm this assumption</p>

1.5 Hypothetical Conditions

A Hypothetical Condition, as defined in Section 3.36 of CUSPAP 2024, is that which is contrary to what exists, but is supposed to exist for the purposes of reasonable analysis.

No Hypothetical Conditions have been invoked.

1.6 Ownership and History

The subject property is currently owned by QUARRY ROCK DEVELOPMENTS (MCALLISTER) INC., INC.NO. BC1115631.

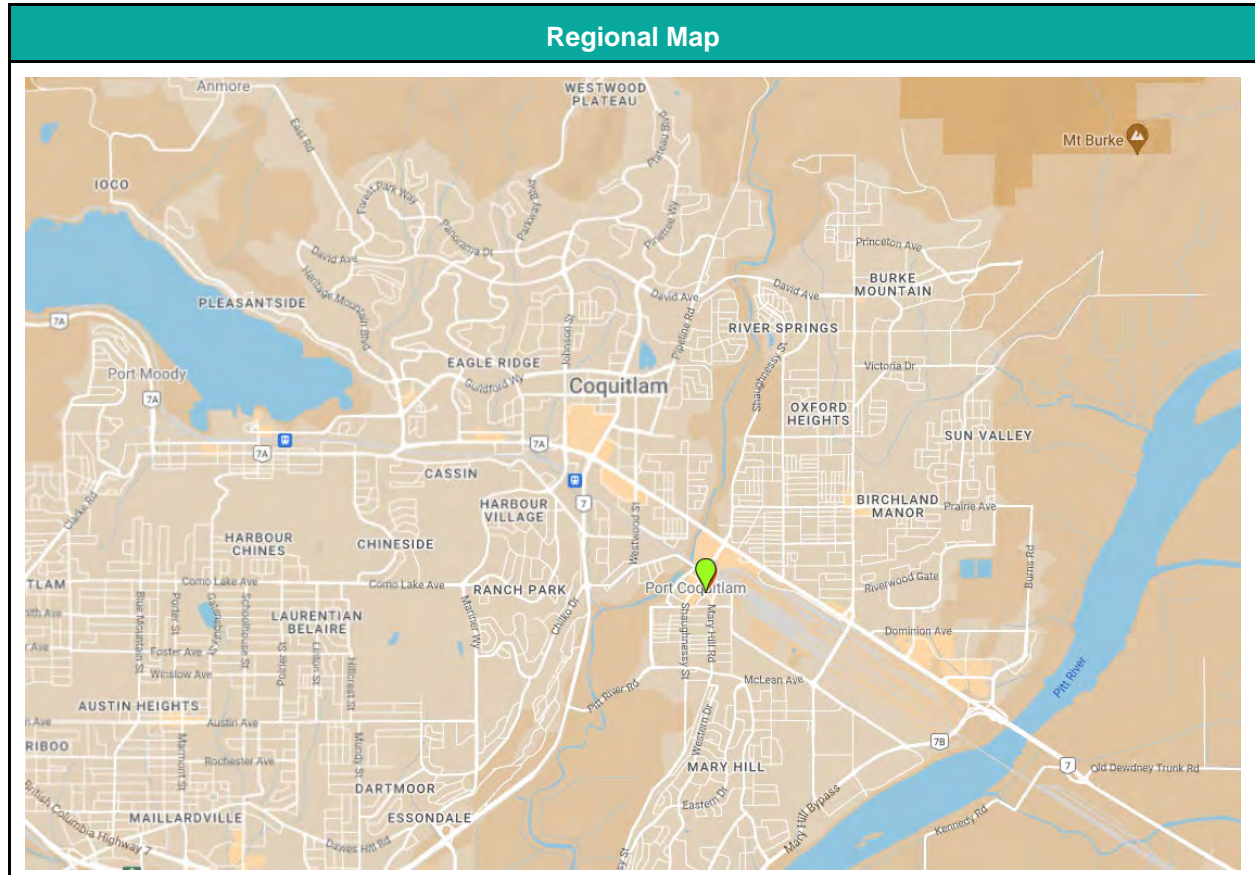
The subject is currently listed for sale for a price of **\$18,500,000 which is greater than our Appraised Value of \$16,800,000.**

2 Property Description

2.1 Location Overview

2.1.1 Regional Overview

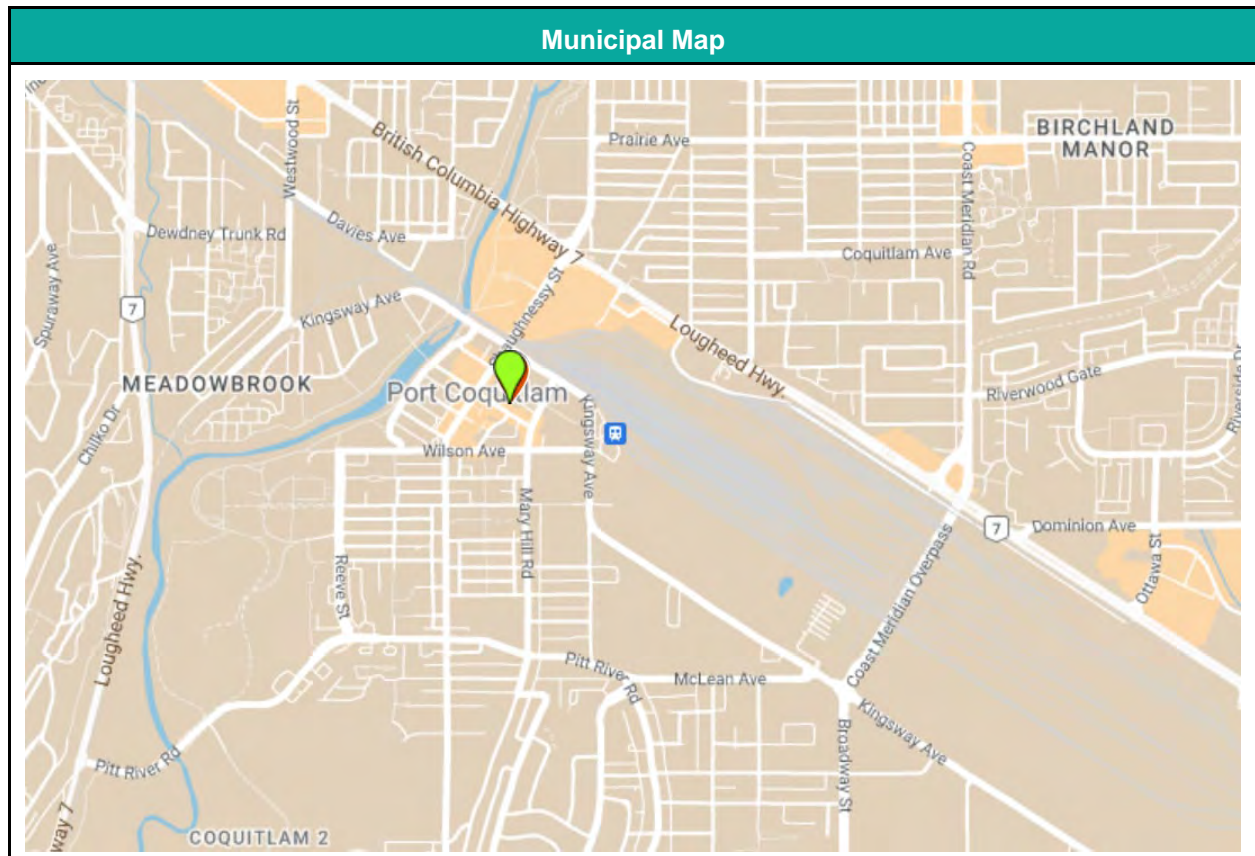
The subject property is located in the Tri Cities area of Metro Vancouver.



Source: [Identify source]

2.1.2 Municipal Overview

The subject property is located in the City of Port Coquitlam



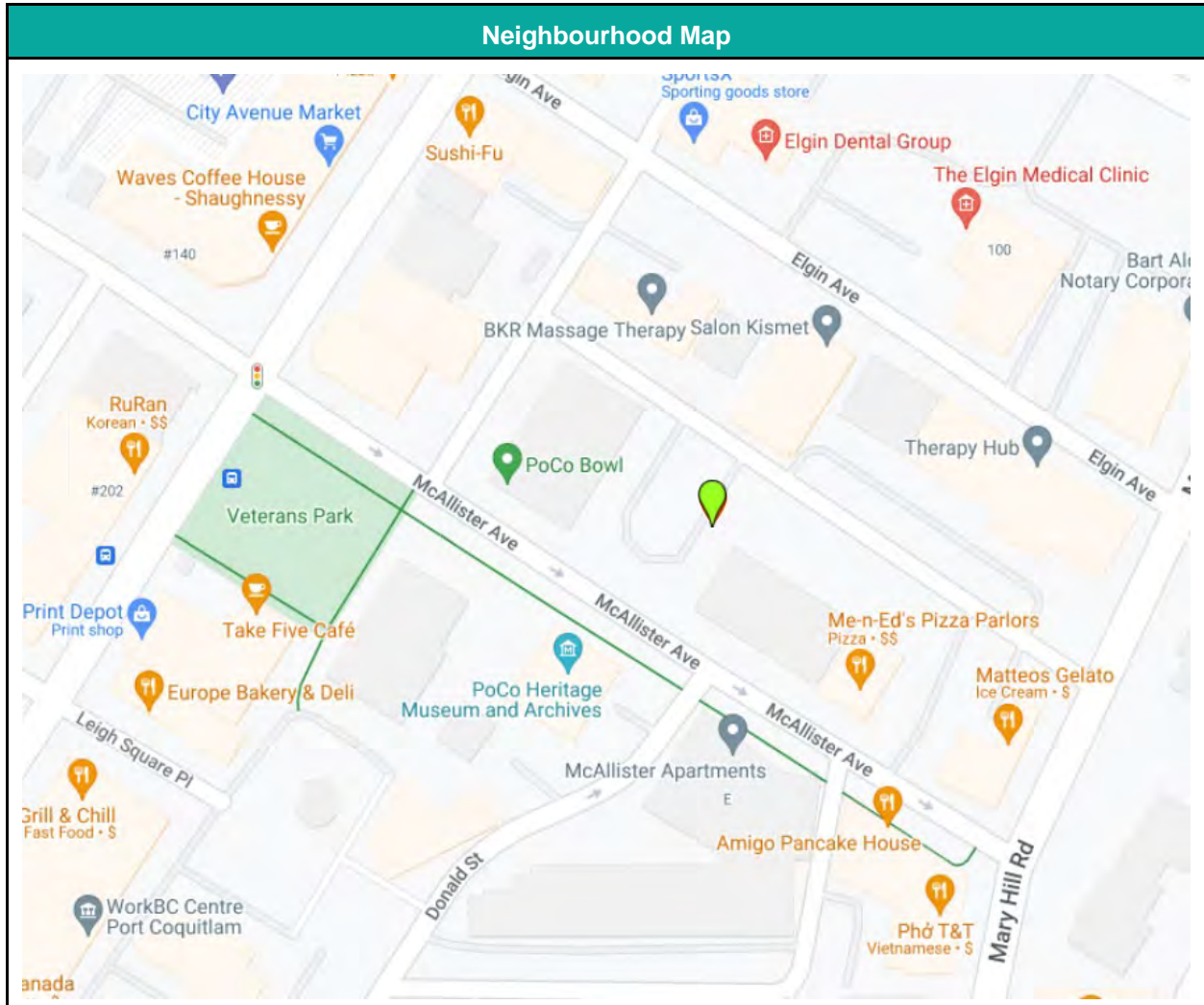
Source: [Identify source]

2.1.3 Neighborhood Overview

The subject property is located in the Downtown area of Port Coquitlam.

A map indicating the location of the subject property is contained below.

Photographs of the subject property are located in Appendix B.



Source: [Identify source]

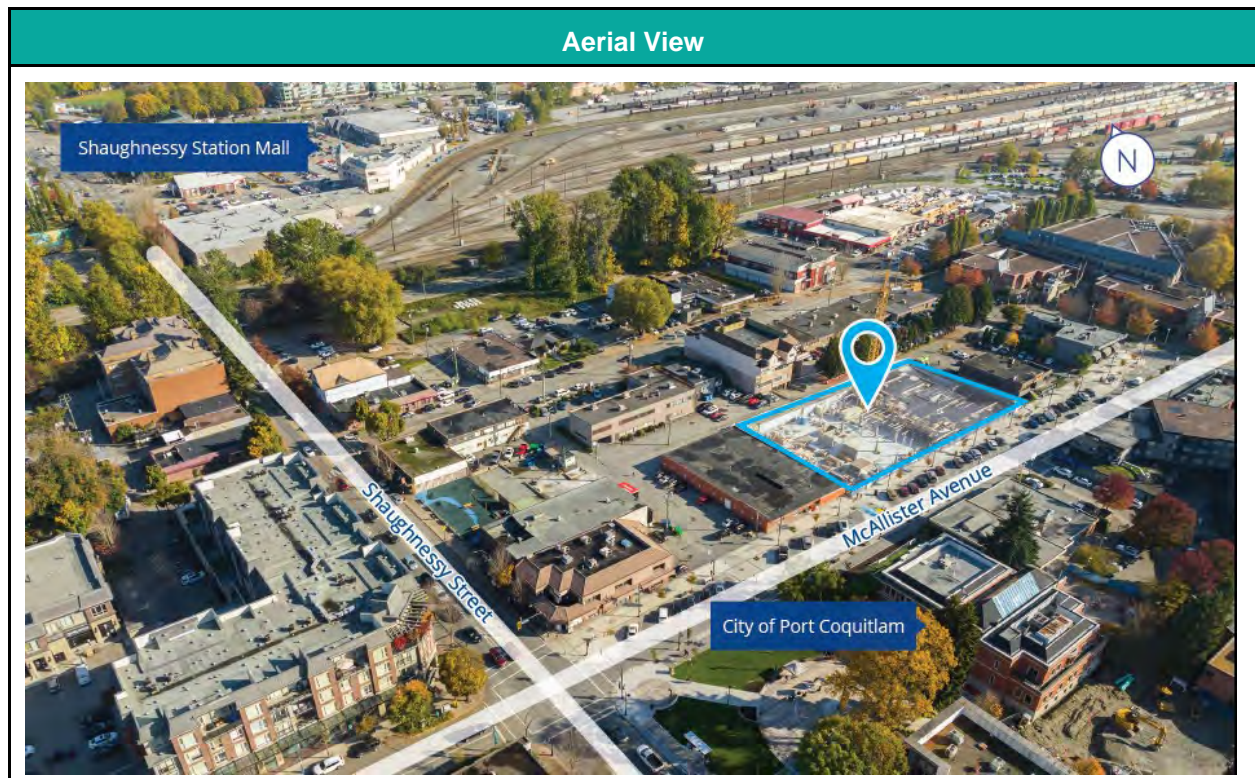
2.2 Site Description

Property Description - Site Description	
Site Area	33,657 sf
Topography	Level
Access	Off of McCallister Ave. and rear lane
Frontage	Approx. 260 feet
Depth	Approximately 128 feet
Configuration	Rectangular
Services	To lot line
Other Site Improvements	Foundation under construction
Environmental Limitations	<p>I am not an expert in environmental matters and make no representations regarding them. For the purpose of this report, it is assumed that there is no environmental contamination. In order to verify this assumption, an environmental assessment would be required.</p> <p>As a result of this assumption, the impact on value of contamination, if any, has not been taken into account in this appraisal. If contamination does exist, this could have a negative impact on value.</p>

2.2.1 Building Description

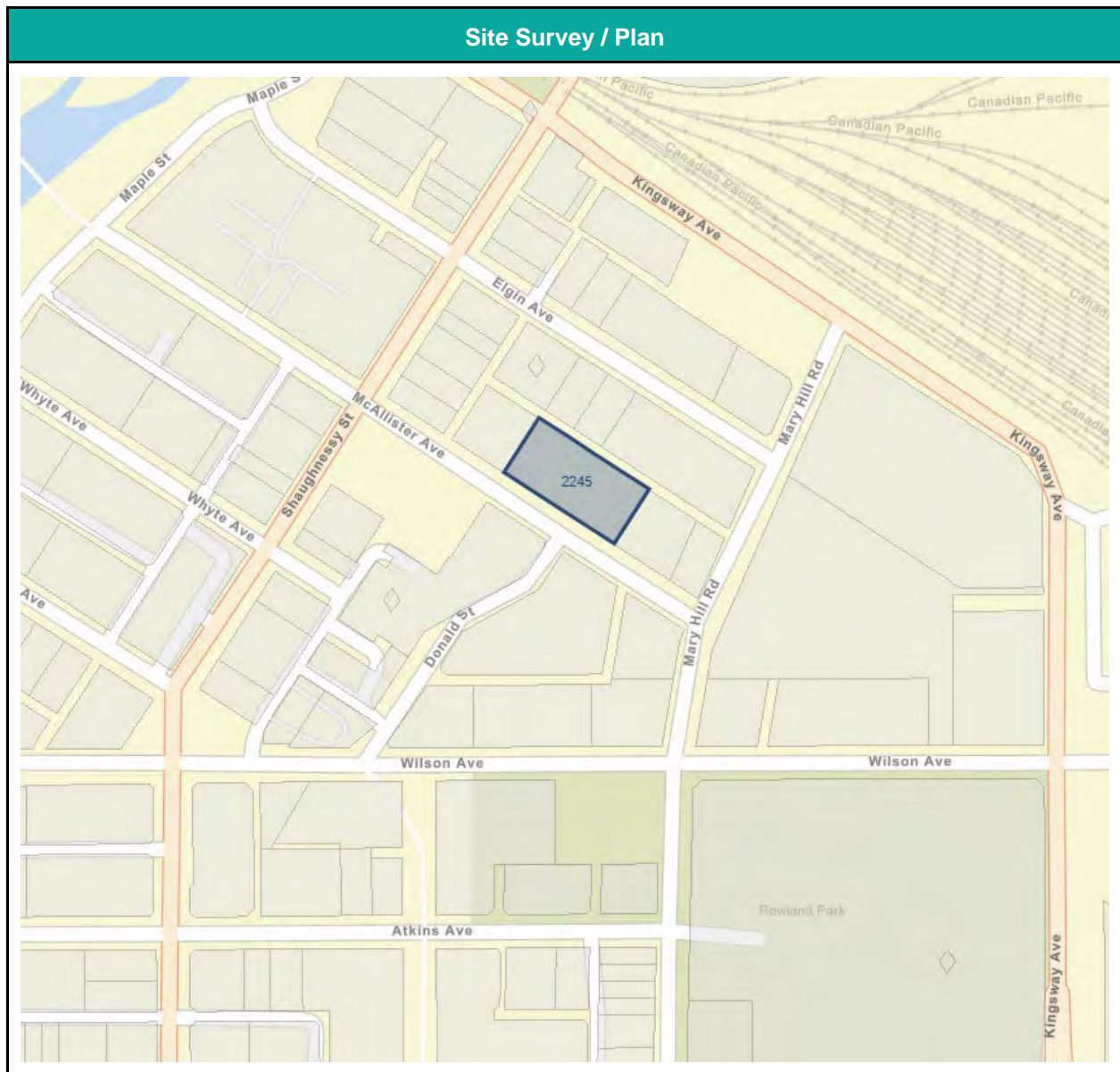
Foundation under construction as at date of valuation

2.2.2 Aerial View



Source: [Identify source]

2.2.3 Site Survey / Plan



Source: [Identify source]

2.3 Encumbrances

Regulations, easements and rights-of-way and other encumbrances that may or may not be registered on title have not been investigated, other than as expressly noted herein. It is assumed that the subject property is not subject to any unusual encumbrances or rights-of-way that would materially or adversely impact the conclusions of this report. However, as encumbrances can have a significant impact on the market value and / or marketability, legal advice should be obtained if this assumption is required to be verified.

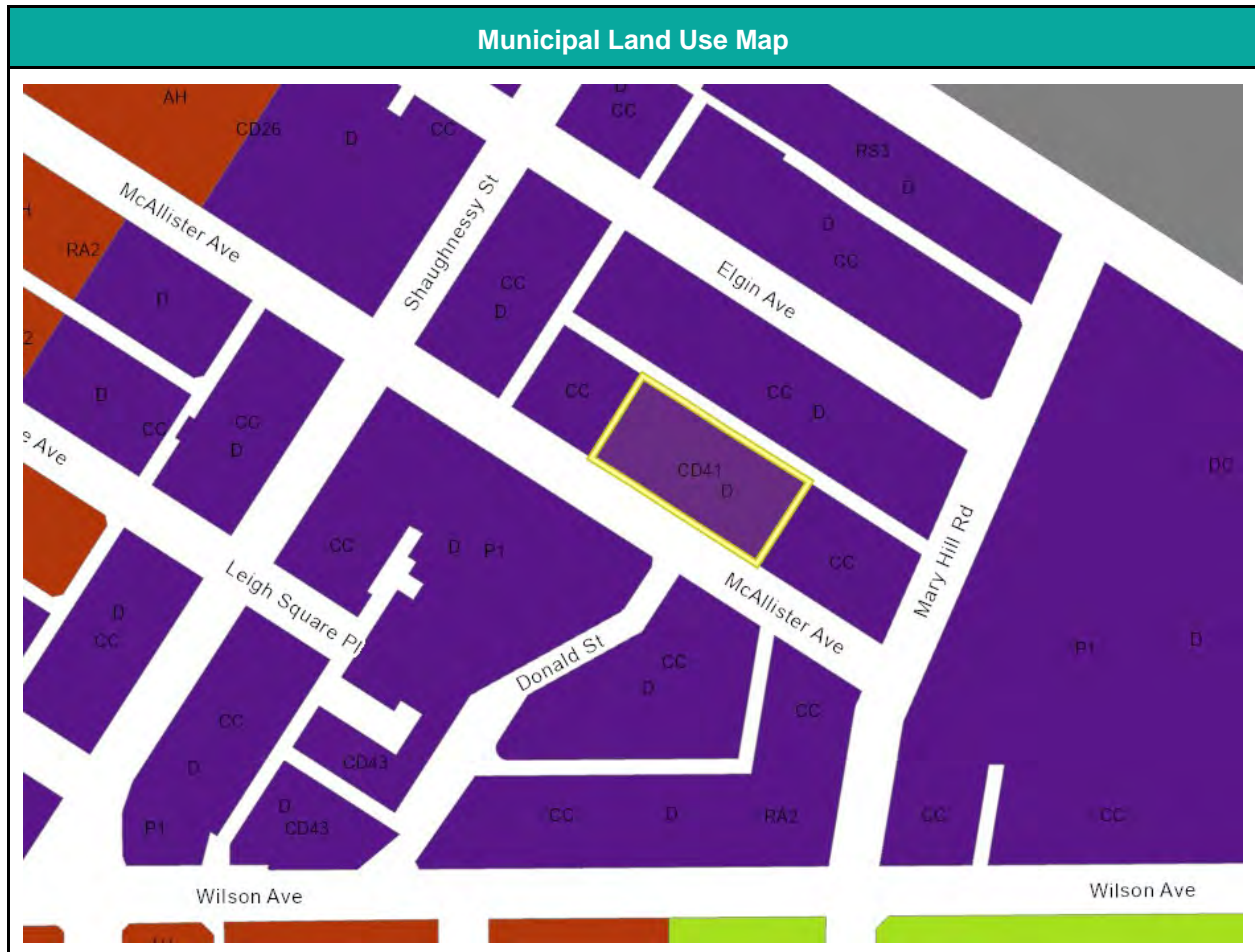
2.4 Municipal Assessment

The 2024 assessment is summarized as follows:

Property Description – Municipal Assessment and Taxes	
Total Assessment ()	\$15,065,000
Annual Taxes Payable:	\$11,269,000
Local Improvement Charges:	\$3,796,000

2.5 Municipal Land Use Plan

Designated as Downtown in the OCP



2.6 Zoning

Property Description – Zoning	
By-law	CD41 – details summarized below

CD41 Comprehensive Zone 41 (2245 McAllister Avenue)

6.41.1 Property Description

Lot 1, District Lot 379, New West District, Plan EPP107096, Group 1.

6.41.2 Permitted Uses

Uses permitted in the Community Commercial (CC) zone.

6.41.3 Regulations

Table 6.41.3 Comprehensive Zone 41 Regulations

Building Height	22 m
Lot Coverage	90%
Floor Area Ratio	1.66/2.1 Note 1 Note 2
Building Setbacks	
Front setback	1 m
Rear setback	0 m
Interior side setback (east)	0 m
Interior side setback (west)	5.48 m
Indoor Amenity Space	1.6 m ² per dwelling unit Note 3
Outdoor Amenity Space	3.26 m ² per dwelling unit Note 4
Bicycle Facilities	
Short-Term Bicycle Parking Spaces	18
Long-Term Bicycle Parking Spaces	1.5 per dwelling unit

Notes to Table 6.41.3

- Note 1. The permitted Floor Area Ratio (FAR) may increase to a maximum of 2.1 FAR if a contribution in the amount of \$50 per square foot of gross floor area that exceeds a 1.66 FAR is provided to City reserve funds for community amenities and special needs housing amenities.
- Note 2. In the calculation of floor area ratio in the CD41 zone, the following may be excluded as floor area:

- a. Floor area comprising entrances, elevator shafts, stairwells and hallways common to two or more dwelling or commercial units, electrical rooms and mechanical rooms;
- b. Exterior balconies and decks;
- c. Floor area at ground level or within a basement or underground structure;
- d. Floor area within the building used for required off street parking; and
- e. 2m² of floor area in an adaptable dwelling unit.

Note 3. Indoor amenity space shall be a common area within a building designed to accommodate meetings, fitness or recreational activities and available for use by occupants of the building and, in the case of a strata-titled building, the common area must be either common property or a strata lot that is a common asset of the strata corporation.

Note 4. Outdoor amenity space shall be a common outdoor area available for recreation and leisure activity use by all residential occupants within the building.

6.41.4 Required Off-street Parking

1. **Off-Street Parking:** Required off-street parking spaces shall be provided in the amount set out in the Parking and Development Management Bylaw No. 3525.
2. **Payment In Lieu Of Parking Spaces:** Notwithstanding the Parking and Development Management Bylaw No. 3525, an owner may opt to pay the City a sum of \$40,000 per parking spaces in lieu of providing required off-street parking spaces. The maximum number of spaces in relation to which payment may be provided under this provision is 44 parking spaces. Payment in lieu of required parking spaces shall be paid at time the building permit is issued and all monies received pursuant to this provision shall be placed in a fund for the provision off-street parking spaces located in the Downtown.

6.41.5 Additional Regulations

- 1) **Electric Vehicle Infrastructure:** In a mixed-use building including residential uses and a common parking area, a separate single utility electrical meter and disconnect shall be provided in line with the electrical panel(s) intended to provide for charging of electric vehicles located within 3 metres of the unit's required park space.
- 2) **Family-Oriented Dwelling Units:** At least 25% of the total number of dwelling units in a mixed-use development with more than 10 units must be family-orientated dwelling units, and at least 5% of the total number of dwelling units within the development must have three or more bedrooms.



Source: [Identify source]

2.7 Subject Development Plan

The following table was included in the Architectural plans provided to us. These plans were prepared by Atelier Pacific Architecture Inc.

AREA DISTRIBUTION

LEVEL	CATEGORY	AREA
LEVEL 1 (Commercial)	Net Commercial Floor Area	19,968.4 ft ² (1,855.1 m ²)
	Vertical Transportation	492.2 ft ² (45.7 m ²)
	Commercial Corridor	573.6 ft ² (53.3 m ²)
	Residential Common Area/Corridor	1,590.5 ft ² (147.8 m ²)
	Mechanical/Electrical	394.9 ft ² (36.7 m ²)
	Garbage/Loading	1,962.3 ft ² (182.3 m ²)
	SUBTOTAL:	24,982.0 ft² (2,320.9 m²)
LEVEL 2-5 (Residential)	*Net Residential Floor Area	14,557.0 ft ² (1,352.4 m ²)
	Vertical Transportation	504 ft ² (46.8 m ²)
	Residential Corridor	1,583.2 ft ² (147.1 m ²)
	Mechanical/Electrical	89.7 ft ² (8.3 m ²)
	PER FLOOR TOTAL:	16,734.0 ft² (1,554.6 m²)
	SUBTOTAL:	66,936.0 ft² (6,218.6 m²)
LEVEL 6 (Residential)	*Net Residential Floor Area	11,585.28 ft ² (1,076.3 m ²)
	Vertical Transportation	527.2 ft ² (49.0 m ²)
	Residential Corridor	1,171.2 ft ² (108.8 m ²)
	Mechanical/Electrical	89.7 ft ² (8.3 m ²)
	SUBTOTAL:	13,373.4 ft² (1,242.4 m²)
	Outdoor Amenity	2,809.2 ft ² (m ²)
*Floor Area Included in FAR Calculation		
TOTAL GROSS FLOOR AREA		105,291.4 ft² (9,781.9 m²)
*TOTAL FSR FLOOR AREA:	$[14,557.0 \text{ ft}^2 (1,352.4 \text{ m}^2) \times 4] + 11,585.28 \text{ ft}^2 (1,076.3 \text{ m}^2) = 69,813.3 \text{ ft}^2 (6,485.9 \text{ m}^2)$	69,813.3 ft² (6,485.9 m²)
ADAPTABLE UNIT ALLOWANCE:	$28 \times 2 \text{ m}^2 = -559.72 \text{ ft}^2 (-52.0 \text{ m}^2)$	-559.72 ft² (-52.0 m²)
TOTAL:	$69,253.58 \text{ ft}^2 (6,433.8 \text{ m}^2)$	69,253.58 ft² (6,433.8 m²)
FSR	$69,253.58 \text{ ft}^2 (6,433.8 \text{ m}^2) / 33,129.80 \text{ ft}^2 (3,077.9 \text{ m}^2)$	2.090

RESIDENTIAL UNIT DISTRIBUTION

UNIT TYPE	NUMBER OF UNITS	RATIO
ONE BED	9	58.7%
ONE BED + DEN	38	
TWO BED	14	35.0%
TWO BED + DEN	14	
THREE BED	5	6.3%
TOTAL	80	

NOTES:

33% of the 80 units will be adaptable = 26 units

GARBAGE/RECYCLING ROOM

	REQUIRED/ALLOWED	PROPOSED
COMMERCIAL	MAX. 30 m ² (Restaurant Uses)	351.0 ft ² (32.6 m ²)
RESIDENTIAL	63 UNITS X (0.19 m ² /UNIT) X 50% = 193.8 ft ² (18.0 m ²)	544.6 ft ² (50.6 m ²)

AMENITIES

	REQUIRED/ALLOWED	PROPOSED
INDOOR AMENITIES	80 UNITS X (2.0 m ² /UNIT) = 1,722.23 ft ² (160 m ²)	1,377.7 ft ² (128.0 m ²) *SHORTFALL 344.5 ft² (32.0 m²)
OUTDOOR AMENITIES	80 UNITS X (3.5 m ² /UNIT) = 3,013.9 ft ² (280.0 m ²)	2,809.2 ft ² (261.0 m ²) *SHORTFALL 204.7 ft² (19.0 m²)

FAMILY-ORIENTED DWELLING UNITS

TOTAL 2 & 3 BEDROOM UNITS	PROPOSED FAMILY ORIENTED DWELLING UNITS
33	26

Note: Family Orientated Dwelling Units not required under CC Zoning





1 DP&D PERSPECTIVE 1 - VIEW TO NORTHEAST
SCALE: N.T.S.



2 DP&D PERSPECTIVE 2 - VIEW TO NORTHWEST
SCALE: N.T.S.

3 Highest and Best Use

The estimated Highest and best use of a property is the fundamental premise underlying the opinion of a market value. According to Section 3.35 of CUSPAP 2024, highest and best use is defined as:

“The reasonably probable use of a property, that is physically possible, legally permissible, financially feasible and maximally productive, and that results in the highest value.”

The highest and best use must meet four criteria:

Physically Possible: The size, shape, terrain and soil conditions of a parcel of land affect its physical utility and adaptability. The size, design and condition of an improved property may suggest that rehabilitation, conversion or demolition is in order

Legally Permissible: Depends on public restrictions such as zoning, building codes, historic preservation regulations and environmental controls, as well as the private or contractual restrictions found in deeds and long-term leases

Financially Feasible: Uses that should produce returns that exceed the income required to satisfy operating expenses and debt service (interest and amortization)

Maximum Return: Among financially feasible uses, the use that produces the highest price or value consistent with the rate of return warranted by the market.

3.1 Highest and Best Use Analysis

Highest and Best Use of the subject is to complete the approved Mixed Use Retail/Residential Development.

It is unknown as to whether or not the development plans that have been provided to us could be revised. Legal and Engineering advice is recommended.

4 Valuation

There are typically three approaches used to estimate market value: the Income Approach, the Direct Comparison Approach and the Cost Approach.

Income Approach

The Income Approach recognizes the principle of anticipation, where the anticipation of future benefits creates value. The Income Approach is usually used as the primary method of valuation when a property is expected to be acquired by an investor. The Income Approach is comprised of two primary methods:

Direct Capitalization: This procedure involves dividing the stabilized net annual operating income (NOI) by a singular rate that takes into account the investment characteristics of the subject property.

Discounted Cash Flow (DCF): This method calculates the present value of the future cash flows over a specified time period, including the potential proceeds of a deemed disposition, to determine market value.

Direct Comparison Approach

The Direct Comparison Approach recognizes the principle of substitution, according to which a buyer will not pay more for one property than for another that is equally desirable. By this approach, an opinion of value is developed by applying a comparative analysis of properties that are similar to the subject property that have recently sold, are listed for sale or are under contract, by focusing on the similarities and differences that affect value.

Cost Approach

The Cost Approach recognizes the principle of substitution, according to which a knowledgeable purchaser would not pay more for a property than it would cost to construct a property of similar design and utility, assuming no unreasonable delays. The Cost Approach involves adding the market value of the land to the depreciated value of the building and site improvements.

4.1 Valuation Methodology Selected

The Direct Comparison Approach has been adopted.

5 Direct Comparison Approach

The Direct Comparison Approach has as its basis the comparison of the subject property with recent sales of properties that have similar characteristics in terms of location and property type. Where comparable property sales evidence is available, the approach can provide a dependable value estimate.

The Direct Comparison Approach is considered useful not only in terms of estimated value, but also in demonstrating that the final value estimate concluded in the appraisal falls within a reasonable range of value evident in the marketplace.

The typical procedure for undertaking the Direct Comparison Approach involves:

- ▶ researching the market for data from sales, contracts, offers and listings of competitive properties;
- ▶ verifying that the data is accurate and representative of arm's-length transactions;
- ▶ determining relevant units of comparison;
- ▶ comparing the subject with the comparable property sales and adjusting the comparable property sales for differences; and
- ▶ reconciling the multiple value indications into a single value or range of values for the subject property

5.1 Comparable Property Sales Activity

A survey of market evidence for properties having similar characteristics to the subject property has been conducted.

From the research, the most appropriate in terms of comparable property sales evidence for the Direct Comparison Approach is as follows:

Coquitlam Residential Land Sales							
No.	Site Name Address Neighbourhood Plan Area Municipality	Sale Date	Sale Price Price Guidance	Site Area (sf) (Acres)	Sale Price/ Site Area (\$/sf)	Sale Price PBA	Zoning OCP Permitted Density
L1	600-608 Dansey Ave Burquitlam-Lougheed Coquitlam, BC	Listing	\$17,200,000 <i>Price Guidance</i>	45,803 1.05	\$376	\$417 Base FAR \$150 Target FAR	RT-2 Townhouse Residential Medium Density Apartment Residential 0.90 Base FAR 2.50 Target FAR (6-storey)
L2	2381 & 2385 Mary Hill Road 2208 Kelly Avenue Port Coquitlam Coquitlam, BC	Listing	\$6,500,000 <i>Estimated</i>	15,687 0.36	\$414	\$166 Base FAR \$178 Target FAR	RA-2 Residential Apartment High Density Apartment Residential 2.50 Base FAR 2.33 Proposed FAR
1	702-704 Delestre Avenue Austin Heights Coquitlam, BC	Nov-23	\$6,397,690	22,651 0.52	\$282	\$152 Base FAR \$123 Target FAR	RS-1 - One Family Residential Medium Density Apartment Residential 1.85 Base FAR 2.30 Max FAR (at 6-storey)
2	Stratford Wynd 1145 Inlet Street Coquitlam Centre Coquitlam, BC	Jun-23	\$111,196,000	350,266 8.04	\$317	\$138 Base FAR \$122 Target FAR	RM-1 & RT-2 Mixed Medium & High Density Apartment Residential 2.30 Base FAR 2.61 Target FAR (6-storey)
3	759 Sproule Avenue 761 Sproule Avenue Burquitlam-Lougheed Coquitlam, BC	Jan-23 Oct-22	\$1,300,000 \$1,304,450 \$2,604,450	7,841 7,841 0.18	\$332	\$180 Base FAR \$144 Target FAR	RT-1 - Infill Residential Medium Density Apartment Residential 1.85 Base FAR 2.30 Max FAR (at 6-storey)
4	3188 Shaughnessy Street & 2154, 2156, 2168, 2170 & 2190 Prairie Ave Port Coquitlam Coquitlam, BC	Nov-22	\$16,027,750	62,223	\$258	\$172 Base FAR \$161 Target FAR	RS-1 - One Family Residential RA1 Residential Apartment 1.50 Base FAR 1.60 Max FAR

The transactions indicate land values in the range of **\$122 to \$178 per square foot buildable at Target FAR Density or \$258 – \$414 psf of site area.**

The lower end of the range at \$122 per buildable reflects the sale of 1145 Inlet Street (Index No. 2) from June 2023. This property offers a superior Coquitlam Centre location. A lower price per buildable sf would be anticipated at the subject site given its inferior location.

The high end of the range at \$178 per buildable reflects the current listing in Port Coquitlam at 2381 & 2385 Mary Hill Road and 2208 Kelly Avenue (Listing No. 2), located close to the subject site. The site is currently zoned RA-2 (Residential Apartment) and is designated as High Density Apartment Residential which permits densities up to 2.50 FAR. Development proposals indicate potential to deliver a 40-unit rental project with a density of 2.33 FSR. The site is currently listed for \$6,500,000 which reflects pricing of \$178 per buildable on the proposed FAR of 2.33. Given the listing nature of the property too, a lower price per buildable would be anticipated at the subject.

The subject benefits from the fact that approvals are in place and construction is underway.

The fact however that the subject lands are subject to a Court Ordered Sale is an indication of the general softness of the Development Land Market at present. We are aware of many failed projects throughout Metro Vancouver.

We have had a number of discussions with various market participants active in the market. One of the reported concerns of the subject development is the relatively large unit size (873 sf on average).

The relatively large unit size may impact the achievable end unit price on a psf basis for the subject units, which may impact land value.

As discussed previously,

- The subject site area is 33,657 sf
- The total proposed Gross Floor Area above grade is 105,291 sf or 3.13 FSR based on actual above grade area
- The FAR area, after area exclusions, is 2.09

Taking into consideration present market conditions a land value conclusion (excluding the value of the improvements made to date) of **\$100 per buildable foot based on above grade area or \$150 per buildable based on FAR area or \$313 psf of site area** is considered appropriate based on total actual above grade area.

5.2 Costs Incurred to Date

Construction of the proposed subject development has commenced with considerable hard and soft construction costs spent to date. We have been provided with a project budget dated October 3, 2023. A copy of the budget provided is included below:

SCHEDULE 'A' - TOTAL PROJECT COSTS										PROJECT:		THE MET AT MCALLISTER	
SUMMARY OF TOTAL PROJECT COSTS										BORROWER:		QRD (MCALLISTER) LIMITED PARTNERSHIP	
COST CODE	(1) DESCRIPTION OF WORK	(2) ORIGINAL BUDGET	(3a) PREVIOUS BUDGET REVISIONS	(3b) PREVIOUS BUDGET (2+3a)	(4) CURRENT BUDGET REVISIONS	(4) REVISED BUDGET (2+3a+3b)	FIRM COMMITTED COSTS	%	(5) TOTAL WORK IN PLACE PREVIOUS	(6) WORK IN PLACE THIS APPLICATION	%	(7) TOTAL WORK IN PLACE (5+6)	(8) COST TO COMPLETE (4-7)
0000	INDIRECT COST	120,258	0	120,258	3,271	123,529	0	0.0	0	0.0	123,529	100.0	0
0100	GENERAL REQUIREMENTS	3,313,095	0	3,313,095	1,812,485	4,925,581	0	0.0	0	0.0	1,091,282	22.2	3,834,299
0200	SITE WORK	4,665,910	0	4,665,910	(185,959)	4,479,951	725,617	16.2	0	0.0	3,128,807	69.8	1,351,144
0300	CONCRETE	3,786,377	0	3,786,377	2,575,138	6,361,515	0	0.0	0	0.0	548,538	8.6	5,812,977
0400	MASONRY	315,314	0	315,314	341,886	657,000	0	0.0	0	0.0	0	0.0	657,000
0500	METALS	443,280	0	443,280	383,593	826,873	0	0.0	0	0.0	0	0.0	826,873
0600	WOOD & PLASTIC	3,600,270	0	3,600,270	(283,411)	3,316,859	0	0.0	0	0.0	0	0.0	3,316,859
0700	THERMAL & MOISTURE	3,232,533	0	3,232,533	(211,183)	3,021,350	0	0.0	0	0.0	0	0.0	3,021,350
0800	DOORS & WINDOWS	1,645,382	0	1,645,382	(328,114)	1,317,268	0	0.0	0	0.0	977	0.1	1,316,291
0900	FINISHES	2,557,780	0	2,557,780	(44,437)	2,513,343	0	0.0	0	0.0	0	0.0	2,513,343
1000	SPECIALTIES	353,418	0	353,418	(41,028)	312,390	0	0.0	0	0.0	35,498	11.4	276,892
1100	EQUIPMENT	1,265,435	0	1,265,435	43,909	1,309,344	0	0.0	0	0.0	0	0.0	1,309,344
1200	FURNISHINGS	120,000	0	120,000	(60,000)	60,000	0	0.0	0	0.0	0	0.0	60,000
1300	SPECIAL CONSTRUCTION	0	0	0	0	0	0	0.0	0	0.0	0	0.0	0
1400	CONVEYING SYSTEMS	465,000	0	465,000	(70,000)	395,000	0	0.0	0	0.0	139,601	35.3	255,399
1500	MECHANICAL	3,561,508	0	3,561,508	2,601,013	6,162,521	0	0.0	0	0.0	207,978	3.2	6,254,543
1600	ELECTRICAL	1,937,000	0	1,937,000	722,466	2,659,466	0	0.0	0	0.0	182,666	6.9	2,476,800
TOTAL CONSTRUCTION		31,382,561	0	31,382,561	7,359,429	38,741,990	725,617	2.2	0	0.0	5,458,676	14.1	33,283,313
1700	CONSULTANTS	2,948,124	0	2,948,124	131,104	3,079,228	713,080	24.2	0	0.0	2,773,242	90.1	305,986
1800	LAND	9,990,000	3,510,000	13,500,000	(3,194,000)	10,306,000	0	0.0	10,306,000	100.0	0	0.0	0
1900	MUNICIPAL LEVIES	3,603,549	0	3,603,549	15,000	3,618,549	1,724,000	47.8	0	0.0	3,154,825	87.2	463,724
2000	FINANCING	5,716,121	481,379	6,197,500	2,806,467	9,003,967	0	0.0	0	0.0	2,897,276	32.2	6,106,692
2100	SALES COSTS	540,000	0	540,000	0	540,000	0	0.0	0	0.0	65,081	12.1	474,919
2200	CONTINGENCIES	1,277,996	347,004	1,625,000	(1,734)	1,623,266	0	0.0	0	0.0	0	0.0	1,623,266
2300	GST	0	0	0	0	0	0	0.0	0	0.0	0	0.0	0
TOTAL DEVELOPMENT		24,075,790	4,338,383	28,414,173	(240,163)	28,174,010	2,437,060	8.6	10,306,000	36.6	8,890,424	31.6	19,196,424
TOTAL PROJECT COSTS		55,458,351	4,338,383	59,796,734	7,119,266	66,916,000	3,162,677	5.3	10,306,000	15.4	14,349,300	21.4	24,655,300

It is an assumption of this report that the information provided with respect to Costs Incurred to Date is correct and complete. Engineering advice is strongly recommended to confirm this assumption.

It is an assumption of this report that all work done to date is structurally sound and conforms to all building codes. Engineering advice is strongly recommended to confirm this assumption.

A reasonable purchaser of the subject lands would take into consideration the various costs incurred to date. Based on our experience, a purchaser would consider a portion of hard costs incurred as well as certain soft costs such as municipal fees (typically in the range of 75%).

A summary of our estimate of the value of the costs incurred to date is presented below:

THE MET COSTS INCURRED TO DATE

Description of Work	Reported Total Work in Place	Value Considered
Indirect Cost	\$123,529	
General Requirements	\$1,091,282	\$1,091,282
Site Work	\$3,128,807	\$3,128,807
Concrete	\$548,538	\$548,538
Masonry	\$0	
Metals	\$0	
Wood & Plastics	\$0	
Thermal & Moisture	\$0	
Door & Windows	\$977	
Finishes	\$0	
Specialities	\$35,498	
Equipment	\$0	
Furnishings	\$0	
Special Construction	\$0	
Conveying Systems	\$139,601	\$139,601
Mechanical	\$207,978	\$207,978
Electrical	<u>\$182,666</u>	<u>\$182,666</u>
Total Construction	\$5,458,876	\$5,298,872
Consultatns	\$2,773,242	
Land		
Municipal Levies	\$3,154,825	\$3,154,825
Financing	\$2,897,276	
Sales Costs	\$65,081	
Contingencies	\$0	
GST	<u>\$0</u>	
Total Development	\$8,890,424	\$3,154,825
Total Project Costs	\$14,349,300	\$8,453,697
Value of Work in Place @75%		\$6,340,273

Our estimate of the “As Is” Value of the Subject Lands, taking into consideration Costs Incurred to Date, is as follows:

Gross Buildable Area	104,598 sf
Land Value per Bld. Ft.	\$100
Land Value	\$10,459,800
Value of Improvements in Place	<u>\$6,340,273</u>
Appraised “As Is” Value (Rounded)	\$16,800,000
Land Value per Buildable Ft.	\$161

6 Certification

Effective Date: **May 16, 2024**
 Property Appraised: **2245 McAllister Avenue,, Port Coquitlam, BC**

By signing this certification of value, the author accepts individual responsibility for the content and conclusions of this appraisal report. Consequently:

I certify that, to the best of my knowledge and belief that:

- ▶ The statements of fact contained in this report are true and correct.
- ▶ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- ▶ I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. I am therefore an independent and external professional.
- ▶ I am not in a conflict of interest to undertake this assignment.
- ▶ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▶ My engagement in and compensation for this assignment was not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client.
- ▶ My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice, Valuation - Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards.
- ▶ I have the knowledge and experience to complete this assignment competently, and where applicable, this report is co-signed in compliance with Canadian Uniform Standards of Professional Appraisal Practice, Valuation - Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards.
- ▶ The subject property was inspected by **David Eger B.Com, RI, AACI, MRICS on May 12, 2024**. The inspection was considered sufficient to assist the author in describing the real estate, developing an opinion of highest and best use and making meaningful comparisons with other market data. A detailed inspection to report building condition is beyond the scope of this assignment.
- ▶ No professional assistance was provided
- ▶ As of the date of this report, David Eger B.Com, RI, AACI, MRICS has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for designated and candidate members, and is a member in good standing of the Appraisal Institute of Canada.

In my opinion, the current market value of the fee simple interest in the subject property, subject to the Ordinary Assumptions and Limiting Conditions in Appendix A and the Extraordinary Limiting Conditions in Section 1.3 and the Extraordinary Assumptions in Section 1.4 and the Hypothetical Conditions in Section 1.5, as at May 16, 2024, is:

\$16,800,000
Sixteen Million Eight Hundred Thousand Dollars
(\$161 per buildable foot including value of improvements incurred to date)

Appraiser

David Eger B.Com, RI, AACI, MRICS
 AIC Member #: 600197

Signing Date:
[Attachments and Appendices](#)

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Appendix A - Altus' Terms of Reference

Appendix B - Visual Identification

Appendix A Altus' Terms of Reference

Ordinary Assumptions and Limiting Conditions

Definitions

Ordinary Assumptions and Limiting Conditions

The following Ordinary Assumptions and Limiting Conditions apply to **real estate appraisals** prepared by Altus Group ("Altus"). Any Special Conditions have been added as required.

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), Professional Standards of the Royal Institution of Chartered Surveyors (RICS), International Valuation standards (IVS), published by the International Valuation Standards Council and any other Appraisal Organization to which the author is a member and the following conditions.

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author.
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. Unless otherwise stated in this report, no registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the author. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the author is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the author does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the author. Any information provided by the author is for informational purposes only and any reliance is unreasonable. Any information provided by the author does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted

in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.

9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the authorized use.
14. This report, its content and all attachments/appendices and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, appendices, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
17. Unless specifically stated, the value conclusions contained in this report applies to the real estate only, and does not include personal property, machinery and equipment, trade fixtures, business value, goodwill or other non-realty items. This report is limited to surface rights only and does not include any inherent subsurface or mineral rights. Income tax considerations have not been included or valued unless so specified in this report. No representations are made as to the value changes that may be attributed to such considerations.
18. It is assumed that legal, engineering, or other professional advice, as may be required, has been or will be obtained from properly qualified legal professional sources and that this report will not be used for guidance in legal or technical matters such as, but not limited to, the existence of encroachments, easements or other discrepancies affecting the legal description of the property. It is assumed that

there are no concealed or dubious conditions of the subsoil or subsurface waters including water table and flood plain, unless otherwise noted.

19. It is assumed that any and all liabilities that might accrue against the real estate such as taxes, hypothecs, contracts or services of any kind, are paid when due. Taxes and other fees (e.g. broker commissions) incurred during the hypothetical sale of the real estate are not addressed in this report.
20. This report may contain estimates of future financial performance, estimates or opinions that represent the author's view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted.

Actual results achieved during the period covered by our prospective financial analyses will vary from those described in this report, and the variations may be material.

21. This report assumes that the property will be competently managed, leased and maintained by financially sound owners over the expected period of ownership. This engagement does not entail an evaluation of management's or owner's effectiveness, nor is the author or Altus responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.
22. The value is based on the purchasing power of the Canadian dollar as of that date.

Definitions

Altus InSite Investment Trends Survey

Altus InSite undertakes a survey of the Canadian real estate industry to determine the informed consensus opinion on investment performance trends and valuation parameters from Canada's key investors, lenders and other opinion leaders. The results of this quarterly survey are presented online as a series of data reports and charts for the Office, Retail, Industrial and Multiple Unit Residential asset classes for seven major markets across Canada.

Fee Simple¹

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee²

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold³

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Value

Market Value is defined by the Appraisal Institute of Canada in the *Canadian Uniform Standards of Professional Appraisal Practice* as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”⁴

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- ▶ buyer and seller are typically motivated;
- ▶ both parties are well informed or well advised, and acting in what they consider their best interests;

¹ *The Dictionary of Real Estate Appraisal: 7th edition*. Chicago. Appraisal Institute. 2022. Page 73

² *The Dictionary of Real Estate Appraisal: 7th edition*. Chicago. Appraisal Institute. 2022. Page 105

³ *Ibid.*

⁴ *Canadian Uniform Standards of Professional Appraisal Practice*, Appraisal Institute of Canada. 2024. Section 3.50

- ▶ a reasonable time is allowed for exposure in the open market;
- ▶ payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- ▶ the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Exposure Time

Exposure Time is an estimate of the length of time that the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the effective date of the appraisal.

Exposure Time is a retrospective estimate based upon experience and the opinions gathered from real estate brokers active in the field. The estimate of time period for reasonable exposure is not intended to be a prediction, but is an estimate of the amount of time that the property would have required to be exposed for sale on the open market in an appropriate manner, and using an experienced broker.

Valuation Approach

There are typically three approaches used to estimate market value: The Income Approach, the Direct Comparison Approach and the Cost Approach.

Direct Comparison Approach is generally used for appraisal of Land.

Income Approach

The Income Approach recognizes the principle of anticipation, where the anticipation of future benefits creates value. The Income Approach is usually used as the primary method of valuation when a property is expected to be acquired by an investor. The Income Approach is comprised of two primary methods:

Direct Capitalization: This procedure involves dividing the stabilized net annual operating income (NOI) by a singular rate that takes into account the investment characteristics of the subject property.

Discounted Cash Flow (DCF): This method calculates the present value of the future cash flows over a specified time period, including the potential proceeds of a deemed disposition, to determine market value.

Cost Approach

The Cost Approach recognizes the principle of substitution, according to which a knowledgeable purchaser would not pay more for a property than it would cost to construct a property of similar design and utility, assuming no unreasonable delays. The Cost Approach involves adding the market value of the land to the depreciated value of the building and site improvements.

Direct Comparison Approach

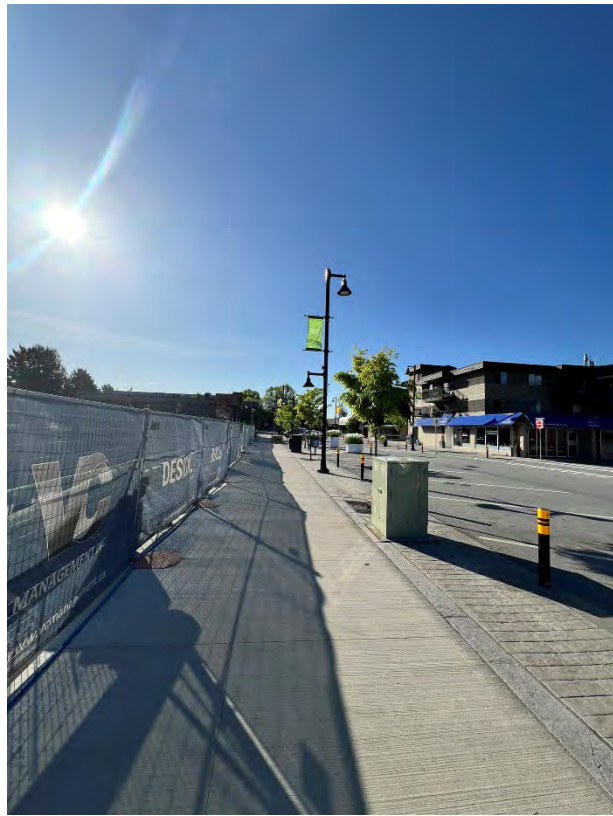
The Direct Comparison Approach recognizes the principle of substitution, according to which a buyer will not pay more for one property than for another that is equally desirable. By this approach, an opinion of value is developed by applying a comparative analysis of properties that are similar to the subject property that have recently sold, are listed for sale or are under contract, by focusing on the similarities and differences that affect value.

In addition to Direct Comparison Approach, appraisal theory recognizes six possible approaches available for the valuation of vacant land and/or development sites:

- ▶ Allocation
- ▶ Extraction
- ▶ Subdivision Development
- ▶ Land Residual
- ▶ Ground Rent Capitalization.

Appendix B Visual Identification

Photographs of Subject Property



Photographs of Subject Property



Photographs of Subject Property





AltusGroup

GLOBAL HEADQUARTERS
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November 4th, 2024

Alvarez & Marsal Canada Inc.
902 – 925 West Georgia Street
Vancouver, BC V6C 3L2

Attn: Mr. Anthony Tillman and Mr. Taylor Poirier

Re: 2245 McAllister Avenue, Port Coquitlam, BC | Marketing Report & Recommendation

Colliers is pleased to provide this marketing report, offer summary, and broker recommendation for the property located at 2245 McAllister Avenue, Port Coquitlam, BC **(the “Property”)**.

Overview of Marketing:

The Property was listed for sale with Colliers on April 24th, 2024. Over the course of the marketing period, spanning approximately five months, the following efforts were undertaken by Colliers to maximize the exposure of the Property and ensure the highest sale price was achieved;

- Listing Agreement signed effective April 24th, 2024 with an asking price of \$18,500,000;
- Professional photography ordered, both ground and aerial;
- Custom Property Brochure created for the Property;
- Website listing created - ID # 2015216 – 1,515 exclusive views to date;
- Website listing displayed as “Featured Listing” - features the listing on the first page of the Colliers Canada webpage
- Data Room created with all relevant documents available;
- Confidentiality Agreement (CA) created, required to gain access to secure online Data Room;
- Signage - 8x4 foot sign installed on the existing fencing at the Property on May 3rd, 2024;
- Colliers E-blast sent to 2,673 recipients on May 1st, 2024;
- Commercial E-blast, e-mail delivery to real estate agents through the MLS Commercial Broadcast system, sent to 834 recipients on May 13th, 2024
- Print advertising in the June edition of Business in Vancouver;
- Direct phone calls and e-mail correspondence with prospective purchasers and key targets in the Vancouver medium density development community;
- 31 parties signed Confidentiality Agreement to gain access to the detailed property information included in the online data room;
- Multiple parties requested the standard form of offer and submitted offers for consideration, more details are provided below; and
- Continued correspondence with the City of Port Coquitlam to ensure prospective purchasers were provided with the most accurate property information possible.



Offers Received:

Due to Colliers' marketing efforts, multiple offers were received as follows.

1. **West Urban Development** - \$8,000,000 with purchaser's condition removal within thirty (30) days after the execution and delivery of Contract by the vendor to the purchaser, and Completion on July 31, 2024, and subject to court approval. Dated May 22, 2024.
2. **1485991 B.C. Ltd.** - \$13,250,000 with purchaser's condition removal on September 24, 2024, Completion on December 3, 2024, and subject to court approval. This offer included a \$5,500,000 holdback pending the discharge of the purchase option registered in favour of the City of Port Coquitlam. Dated June 17, 2024.
3. **1296709 B.C. Ltd.** - \$8,000,000 with purchaser's condition removal within 30 days after the execution and delivery of Contract by the vendor to the purchaser, Completion 90 days following court approval, and subject to court approval. Dated June 20, 2024.
4. **NorthStar Acquisitions Ltd.** - \$9,000,000 with purchaser's condition removal within forty-five days after the execution and delivery of Contract by the vendor to the purchaser, Completion 120 days following waiver of purchaser's conditions, and subject to court approval. Dated July 26, 2024.

Several counteroffers were provided by the Receiver in response to the offers received. The negotiation processes did not result in a fully accepted offer until September 2024. Details of the accepted offer resulting from the negotiations are outlined below for approval by the court.

Overview of Recommended Offer

Details of the recommended offer, accepted on September 18th, 2024, from NorthStar Acquisitions Ltd. (the "Purchaser") are as follows:

Purchase Price: \$10,000,000

Purchaser's Conditions: None remaining, Purchaser's Conditions were declared satisfied on October 31st, 2024

Deposits: First Deposit of \$50,000 upon acceptance of the Offer, SEcond Deposit of \$950,000 upon satisfaction of the Purchaser's Conditions – both Deposits, totaling \$1,000,000 are received and are now held in trust by Colliers

Closing Date: January 22nd, 2025

This offer is now firm and binding and subject only to court approval required by no later than Thursday, November 21st, 2024, 21 days following waiver of the Purchaser's Conditions.



Competing Bids

In preparation for the Court approval of the accepted offer from NorthStar Acquisitions Ltd., Colliers shall notify the groups who signed the confidentiality agreement over the course of the marketing period as well as any other groups who expressed interest in the Property. The communication from Colliers will advise prospective purchasers of the opportunity to submit a competing bid via email, to the Receiver's lawyer's office, two (2) business days prior to the court approval hearing as required by Practice Directive 62. A copy of this Practice Directive from the Supreme Court of British Columbia will be provided to all prospective purchasers and is attached, for reference, to this report as Schedule A. We shall also update the Colliers website advising parties of the pending court approval date and utilize the direct marketing channels available to broadcast this date. All communication will invite interested parties to inquire about the process of submitting a competing offer.

Recommendation:

It is our recommendation that the accepted Agreement with NorthStar Acquisitions Ltd. be presented to the Court for approval at the purchase price of \$10,000,000. This offer is subject free, includes a strong deposit and a reasonable closing timeline that will provide the stakeholders with as much certainty as possible.

It is our expectation that additional parties may provide competing offers for consideration by the Court. Information about the court date and offering process will be provided to all relevant parties as referenced above.

Please feel free to contact us with any questions.

Sincerely,

Handwritten signature of Hart Buck in black ink.

Hart Buck
Senior Vice President
604 727 7001
Hart.buck@colliers.com

Personal Real Estate Corporation

Handwritten signature of Jennifer Darling in black ink.

Jennifer Darling
Senior Associate
778 837 5900
jennifer.darling@colliers.com



Effective Date: 2022/08/12

Number: PD – 62

Title:

Practice Direction

**Sealed Bid Process for Foreclosures
and Other Matters Involving Sales of Land**

Summary:

This Practice Direction sets out the process for submitting sealed bids to the Court for foreclosures and other matters involving the sale of land. After filing an application for approval of sale, the Seller's counsel is responsible for forwarding a copy of or link to this Practice Direction to the listing agent for distribution to any interested buyer(s) or their agent(s).

Nothing in this Practice Direction prevents any party or interested party from applying to the Court for approval of a bid and sale process other than that set out herein.

Direction:

Bid Process

1. Unless the Court otherwise orders, the process for submitting sealed bids to the Court for foreclosures and other matters involving the sale of land is as set out below.
2. Within a reasonable period of time after filing an application for approval of sale, the Seller's counsel must forward this Practice Direction, or a link to this Practice Direction on the Supreme Court of British Columbia's website, to the listing agent by email for distribution by that listing agent to any interested buyer(s) or their agent(s).

3. Any person interested in making an offer to compete against an offer before the Court and the subject of an application for approval of sale ("**Original Bid**") to purchase any lands ("**Competing Offeror**") shall do so as follows ("**Bid Process**"):
 - (a) An offer to purchase in the standard real estate contract form, accompanied by a Schedule "A" to be provided by the Seller or its agent, shall be submitted by the Competing Offeror to the Seller's counsel either by: (a) a sealed envelope; or (b) attachment to an email with the Subject Line marked "SEALED BID: [address]", in either case addressed to the Seller's counsel;
 - (b) An offer to purchase must be accompanied by a Transmission Letter in the form attached as **Appendix A** hereto, signed by the Competing Offeror or their authorized representative, and an Acknowledgement of Receipt in the form attached as **Appendix A** hereto to be signed by the Seller's counsel; and
 - (c) All offers must be accompanied by: (a) the applicable deposit by way of bank draft or certified cheque; or (b) proof of delivery of a bank draft or certified cheque to the Seller's realtor or held in trust with the purchaser(s)' counsel; and, either concurrently with delivery of the offer or, if delivered by email, to be received by the Seller's counsel on or before 1:00 p.m. the business day preceding the hearing date of the application for sale approval ("**Hearing Date**").

All bids, in final form, must be received by the Seller's counsel by no later than 4:00 p.m. on that day which is two business days before the Hearing Date ("**Bid Date**").
4. The Seller's counsel shall endorse and return to the applicable Competing Offeror any Transmission Letter and Acknowledgment of Receipt provided by such Competing Offeror prior to the Bid Date.
5. The Seller's counsel shall advise the proposed purchaser under the Original Bid ("**Original Offeror**") that bids have been received pursuant to the process set out in paragraph 3 above within a reasonable period of time of a bid being received. The Original Offeror will have until 10:00 p.m. on the day after the Bid Date to provide a revised bid if they wish, accompanied by a Transmission Letter and Acknowledgment of Receipt.
6. The Original Offeror and all Competing Offerors (collectively, "**Offeror**" or "**Offerors**") acknowledge that:
 - (a) If an Offeror has not provided the Transmission Letter and Acknowledgment of Receipt to the Seller's counsel and received back a signed copy of the Acknowledgment of Receipt from the Seller's counsel, then the Seller's counsel is not under any obligation to consider such Offeror's bid;
 - (b) All bids must clearly set out the names of all parties to be on title should the offer be approved by the Court, with middle name and how title is to be taken (joint tenancy or tenants in common, with particular ownership interest);
 - (c) To the extent any bid submitted represents a revised offer from the Original Bid, it shall not be necessary for such revised offer to be accompanied by any further deposit of funds, and it may be provided on the condition that it is only to be relied upon if other offers are received; and

- (d) The Seller's counsel may request that any Offeror provide further information as to the identity of any related parties or operating minds of any corporate entities, so as to satisfy itself as to the Offeror(s)' *bona fides* and ability to complete the sale, including paying the purchase funds upon closing. Should any such Offeror(s) not provide information as may reasonably be requested by the time reasonably required in the request, the Seller's counsel may decline to consider their offer.
7. After receipt of any bids received in accordance with the procedure outlined above, and after the Bid Date:
- (a) The Seller's counsel will open any offers received in envelopes or electronic form;
 - (b) The Seller's counsel shall provide any prior financial chargeholder's counsel with a copy of all offers it has received, either in envelopes or electronically, if the offer to be presented to court is not sufficient to discharge that encumbrance;
 - (c) No earlier than 12:00 p.m. (noon) and no later than 4:00 p.m. the day before the Hearing Date, the Seller's counsel will electronically forward to the Supreme Court of British Columbia to the email address for the applicable Registry as set forth in **Appendix B** hereto, and cc to **foreclosurebids@bcccourts.ca**, copies of the paper and electronic bids, each saved as its own document. Counsel should put "Sealed Bid" in the email subject line along with (a) the file location, (b) the file number, and (c) the hearing date. In the body of the email Counsel should include:
 - (i) a request to direct the email to the presider; and
 - (ii) a brief summary of the bid(s) including: (1) the amounts of the bid(s); (2) the names of the Offeror(s) for title purposes; (3) the proposed closing date(s); and (4) whether any bids or offers were received that were not made in compliance with the Bid Process ("**Non-Compliant Offer(s)**");
 - (d) The Seller, the Seller's counsel and any chargeholder's counsel shall undertake to maintain the confidentiality of all bids received, either in envelopes or electronically; and
 - (e) Notwithstanding (d), the Seller's counsel is at liberty to discuss the results of the Bid Process with counsel for any subsequent chargeholders and the Seller, in order to obtain instructions as to which offer to support at the court application, provided that such parties agree to keep the results confidential.
8. At the hearing, the Seller's counsel will confirm and report to the Court as to the results of the Bid Process, including whether any Non-Compliant Offer(s) have been received, and provide the Court with its position as to the best offer for the Court's further consideration, approval and pronouncement of a vesting order, if deemed appropriate.
9. After the Hearing, the Seller's counsel shall notify the successful Offeror of the outcome of the hearing and file the approved offer with the court by way of requisition.

10. The Court retains its full discretion with respect to the application for approval of any sale, including with respect to the use of the Bid Process and the consideration of any Non-Compliant Offer(s). In particular, the Court retains full discretion to review and consider any Non-Compliant Offer(s) as it sees fit.
11. Nothing in this Practice Direction prevents any party or interested party (such as a receiver or receiver manager) from applying for Court approval of a sales process other than the Bid Process.

Christopher E. Hinkson
Chief Justice

APPENDIX A

TRANSMISSION LETTER

Date/Time: _____

Enclosed is an offer to purchase with respect to the property municipally described as:
_____ ("Property").

As an offeror for the Property ("Offeror"), I acknowledge:

- (a) the Seller's counsel may not consider any offer received by them that is not accompanied by a deposit that is by way of bank draft or certified cheque, or proof of its deposit with the Offeror's realtor;
- (b) the Seller's counsel may not consider any offer received after the Bid Date or be required to forward the offer to the Court if received after the Bid Date;
- (c) the Seller's counsel has no responsibility to ensure that an offer is complete, satisfactory, or meets compliance as to form, and is under no obligation to confirm any unclear, missing, ambiguous, or incomplete term or item and may, at its sole discretion, not consider any such offer without incurring any liability to any party, including the Offeror;
- (d) the Seller's counsel may not consider any offer if they have not returned to the Offeror an endorsed copy of this letter; and
- (e) the Seller's counsel may refuse to accept any revisions, amendments or attempts to increase any offer after the Bid Date.

Offeror(s)

ACKNOWLEDGEMENT OF RECEIPT

Date/Time: _____

By signing below, I/we hereby acknowledge receipt of either a sealed envelope or an email marked and/or stated to be from: _____.

In addition, by my/our signature(s) below, I/we make no acknowledgement or representation as to the contents of the envelope. The Offeror must satisfy itself that the envelope contains an offer in the form required, is accompanied by a deposit in the appropriate amount and form, and that the contents comply with the Bid Process.

Seller's counsel

APPENDIX B

EMAIL ADDRESSES OF REGISTRIES

(per s. 7(c) of this Practice Direction also cc foreclosurebids@bccourts.ca)

File Location	Hearing Location	Registry Email Address
Abbotsford	Abbotsford	AG.CSB.Abbotsford.Supreme.Court@gov.bc.ca
Campbell River	Campbell River	JAGCSBCampbellRiverCourtScheduling@gov.bc.ca
Chilliwack	Chilliwack	Chilliwack.ChambersDesk@gov.bc.ca
Courtenay	Courtenay	CourtenayRegistry@gov.bc.ca
Cranbrook	Kamloops	Kamloops.ChambersDesk@gov.bc.ca
Dawson Creek	Dawson Creek	Office15226@gov.bc.ca
Duncan	Duncan	JAGCSBDuncanCourtScheduling@gov.bc.ca
Fort St. John	Fort St. John	Office15228@gov.bc.ca
Golden	Kamloops	Kamloops.ChambersDesk@gov.bc.ca
Kamloops	Kamloops	Kamloops.ChambersDesk@gov.bc.ca
Kelowna	Kelowna	Kelowna.ChambersDesk@gov.bc.ca
Nanaimo	Nanaimo	Nanaimo.ChambersDesk@gov.bc.ca
Nelson	Kamloops	Kamloops.ChambersDesk@gov.bc.ca
New Westminster	New Westminster	NewWestminster.ChambersDesk@gov.bc.ca
Penticton	Penticton	PentictonCourtRegistry@gov.bc.ca
Port Alberni	Port Alberni	Nanaimo.ChambersDesk@gov.bc.ca
Powell River	Powell River	powellriverregistry@gov.bc.ca
Prince George	Prince George	Office15214@gov.bc.ca
Prince Rupert	Victoria	Victoria.CourtScheduling@gov.bc.ca
Quesnel	Quesnel	Office15230@gov.bc.ca
Revelstoke	Kamloops	Kamloops.ChambersDesk@gov.bc.ca
Roseland	Kamloops	Kamloops.ChambersDesk@gov.bc.ca
Salmon Arm	Salmon Arm	JAGCSBSalmonArmScheduling@gov.bc.ca
Smithers	Victoria	Victoria.CourtScheduling@gov.bc.ca
Terrace	Victoria	Victoria.CourtScheduling@gov.bc.ca
Vancouver	Vancouver	VLC.chambersdesk@gov.bc.ca
Vernon	Vernon	JAGCSBVernonScheduling@gov.bc.ca
Victoria	Victoria	Victoria.CourtScheduling@gov.bc.ca
Williams Lake	Williams Lake	Office15231@gov.bc.ca

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE COMMERCIAL REAL ESTATE

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.
2. **DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.
3. **COMPLETION:** (Clauses 6.1 and 17) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the purchase price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The buyer pays the purchase price or down payment in trust to the buyer's lawyer or notary (who should advise the buyer of the exact amount required) several days before the completion date and the buyer signs the documents.
 - (b) The buyer's lawyer or notary prepares the documents and forwards them for signature to the seller's lawyer or notary who returns the documents to the buyer's lawyer or notary.
 - (c) The buyer's lawyer or notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The buyer's lawyer or notary releases the sale proceeds at the buyer's lawyer's or notary's office.

Since the seller is entitled to the seller's proceeds on the completion date, and since the sequence described above takes a day or more, it is strongly recommended that the buyer deposits the money and the signed documents AT LEAST TWO DAYS before the completion date, or at the request of the conveyancer, and that the seller delivers the signed transfer documents no later than the morning of the day before the completion date.

While it is possible to have a Saturday or Sunday completion date using the Land Title Office's electronic filing system, parties are strongly encouraged NOT to schedule a Saturday completion date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Clauses 7.1 and 18) The buyer should make arrangements through the REALTORS® for obtaining possession. The seller will not generally let the buyer move in before the seller has received the sale proceeds. Where residential tenants are involved, buyers and sellers should consult the *Residential Tenancy Act*.
5. **ADJUSTMENT:** (Clauses 8.1 and 19) The buyer and seller should consider any additional adjustments that are necessary given the nature of the property and how any costs are payable by tenants and whether the seller holds any of the tenant's funds with respect to such costs.

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE COMMERCIAL REAL ESTATE (continued)

6. **TITLE:** (Clause 22) It is up to the buyer to satisfy the buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the property and any encumbrances which are staying on title before becoming legally bound. It is up to the seller to specify in the contract if there are any encumbrances, other than those listed in clause 22 and Schedule 22, which are staying on title before becoming legally bound. If you as the buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.
7. **CUSTOMARY COSTS:** (Clause 31) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

Lawyer or Notary Fees and Expenses:
- attending to execution documents

Costs of clearing title, including:

- discharge fees charged by encumbrance holders,
- prepayment penalties.

Real Estate Commission (plus GST).

Goods and Services Tax (if applicable).

Costs to be Borne by the Buyer

Lawyer or Notary Fees and Expenses:
- searching title,

- investigating title,
- drafting documents.

Land Title Registration fees.

Survey Certificate (if required).

Costs of Mortgage, including:

- mortgage company's lawyer/notary,
- appraisal (if applicable),

Land Title Registration fees.

Fire Insurance Premium.

Sales Tax (if applicable).

Property Transfer Tax.

Goods and Services Tax (if applicable).

In addition to the above costs there may be financial adjustments between the seller and the buyer pursuant to Clause 19.

8. **RISK:** (Clause 32) The buyer should arrange for insurance to be effective as of 12:01 am on the earlier of the completion date. The seller should maintain the seller's insurance in effect until the later of the date the seller receives the proceeds of sale, or the date the seller vacates the property.
9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold commercial real estate. If your transaction involves: a building under construction, an operating business with or without employees being hired, a sale and purchase of shares in the owner of the property, the purchase of a leasehold interest, other special circumstances, additional provisions, not contained in this form, may be needed, and professional advice should be obtained.




CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE

MLS* NO: _____ DATE: July 26, 2024

PART 1 – INFORMATION SUMMARY

1. Prepared By			
1.1	Name of Brokerage		
1.2	Brokerage Address	Phone No.	
1.3	REALTOR's Name		
1.4	Personal Real Estate Corporation		
1.5	REALTOR's Email Address	Fax No.	
1.6	Brokerage Phone No.	Fax No.	
2. Parties to the Contract			
2.1	Seller <u>Alvarez & Marsal Canada Inc., in its capacity as Court Appointed Receiver for</u>		
	Seller <u>Court Order No. S-238711 Vancouver Registry</u>		
	Seller _____		
2.2	Seller's Address		
2.3	Seller's Phone No.	Fax No.	
2.4	Seller's Email Address		
2.5	Seller's Incorporation No. <u>7638</u>	2.6	Seller's GST No.
2.7	Buyer <u>NorthStar Acquisitions Ltd.</u>		
	Buyer _____		
	Buyer _____		
2.8	Buyer's Address <u>710</u>	<u>1199 West Pender Street</u>	<u>Vancouver</u> <u>BC</u> <u>V6E 2R1</u>
2.9	Buyer's Phone No. <u>6046183287</u>	Fax No.	
2.10	Buyer's Email Address <u>gord@northstardevelopment.ca</u>		
2.11	Buyer's Incorporation No.	2.12	Buyer's GST No.
3. Property			
3.1	Civic Address of Property	<u>2245 McAllister Avenue</u>	<u>Port Coquitlam</u> <u>BC</u> <u>V3C 2A9</u>
3.2	Legal Description of Property		
<u>LOT 1 DISTRICT LOT 378 GROUP 1 NEW WESTMINSTER LAND DISTRICT PLAN EPP107096</u>			
PID		<u>031-366-708</u>	

 _____
BUYER'S INITIALS

 _____
SELLER'S INITIALS

2245 McAllister Avenue Port Coquitlam BC V3C 2A9 PAGE 2 of 8 PAGES

PROPERTY ADDRESS

Initial

DS

GW

\$10,000,000.00

at

~~\$15,000,000.00~~

~~\$9,999,999.99~~

DS

at

4. Purchase Price

\$15,000,000.00

~~\$9,999,999.99~~

Clause

4.1

DS

at

~~Fourteen~~

TEN

~~\$14,000,000.00~~

DS

at

14

~~Nine Million~~

Fifteen Million

Dollars

5. Deposit

Clause

5.1 Deposit to be provided by the following date:

☐ within 48 hours of acceptance of offer or counter-offer

☐ date

15

☒ other See Schedule B

5.2 Amount of Deposit

See Schedule B

15

5.3 Deposit to be paid in trust to Colliers

15

6. Completion Date

6.1 Completion Date

See Schedule B

17

7. Possession Date

7.1 Possession Date

See Schedule B

18

7.2 Vacant Possession ☒ Yes ☐ No

7.3 All Existing Tenancies ☐ Yes ☒ No

18

8. Adjustment Date

8.1 Adjustment Date

See Schedule B

19

9. Viewing Date

9.1 Viewing Date

TBC

21

10. Agency Disclosure

10.1 Seller's Designated Agent

REALTOR® Hart Buck PREC

38A

REALTOR® Jennifer Darling

Brokerage Colliers

10.2 Buyer's Designated Agent

REALTOR®

38B

REALTOR®

Brokerage

10.3 Limited Dual Agency Designated Agent

REALTOR®

38C

REALTOR®

Brokerage

10.4 Date of Limited Dual Agency Agreement

38C

BUYER'S INITIALS

SELLER'S INITIALS

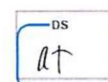
2245 McAllister Avenue DS Initial Coquitlam BC V3C 2A9 PAGE 3 of 8 PAGES
PROPERTY ADDRESS

11.	Acceptance	August 1, 2024	September 19, 2024		
11.1	Offer Open Until - Date	July 29	July 31	Time 5:00	4:00 pm 44
12.	Schedules				
15	Deposit	Attached	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		15
16A	Buyer's Conditions	Attached	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		16
16B	Seller's Conditions	Attached	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		16
18	Accepted Tenancies	Attached	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		18
20A	Additional Included Items	Attached	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		20
20B	Excluded Items	Attached	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		20
22	Additional Permitted Encumbrances	Attached	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		22
23	Additional Seller's Warranties and Representations	Attached	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		23
24	Additional Buyer's Warranties and Representations	Attached	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24
40	Additional Terms	Attached	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		40

PART 2 – TERMS

13. **INFORMATION SUMMARY:** The Information Summary being Part 1 to this Contract of Purchase and Sale for Commercial Real Estate and the Schedules attached to this Contract of Purchase and Sale for Commercial Real Estate, form an integral part of this offer. The Seller and Buyer acknowledge that they have read all of Part 1 and Part 2 and the Schedules to this Contract of Purchase and Sale for Commercial Real Estate.
14. **PURCHASE PRICE:** The purchase price of the Property will be the amount set out in Clause 4.1 (Purchase Price).
15. **DEPOSIT:** A deposit in the amount set out in Clause 5.2 which will form part of the Purchase Price, will be paid in accordance with Clause 26 except as otherwise set out in Schedule 15 and on the terms set out in Schedule 15. All monies paid pursuant to this Clause (the "Deposit") will be delivered in trust to the party identified in Clause 5.3 and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.
16. **CONDITIONS:** The obligations of the Buyer described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16A, if any (the "Buyer's Conditions"). The Buyer's Conditions are inserted for the sole benefit of the Buyer. The satisfaction or waiver of the Buyer's Conditions will be determined in the sole discretion of the Buyer and the Buyer agrees to use reasonable efforts to satisfy the Buyer's Conditions. The Buyer's Conditions may only be satisfied or waived by the Buyer giving written notice (the "Buyer's Notice")


BUYER'S INITIALS


SELLER'S INITIALS

2245 McAllister Avenue

Port Coquitlam



BC V3C 2A9 PAGE 4 of 8 PAGES

PROPERTY ADDRESS

to the Seller on or before the time and date specified for each condition. Unless each Buyer's Condition is waived or declared fulfilled by delivery of the Buyer's Notice to the Seller on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

The obligations of the Seller described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16B, if any (the "Seller's Conditions"). The Seller's Conditions are inserted for the sole benefit of the Seller. The satisfaction or waiver of the Seller's Conditions will be determined in the sole discretion of the Seller and the Seller agrees to use reasonable efforts to satisfy the Seller's Conditions. These conditions may only be satisfied or waived by the Seller giving written notice (the "Seller's Notice") to the Buyer on or before the time and date specified for each condition. Unless each Seller's Condition is waived or declared fulfilled by delivery of the Seller's Notice to the Buyer on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

17. **COMPLETION:** The sale will be completed on the date specified in Clause 6.1 (Completion Date) at the appropriate Land Title Office.
18. **POSSESSION:** The Buyer will have possession of the Property at the time and on the date specified in Clause 7.1 (Possession Date) with vacant possession if so indicated in Clause 7.2, or subject to all existing tenancies if so indicated in Clause 7.3; or subject to the specified tenancies set out in Schedule 18, if so indicated in Clause 12 (if Clause 7.3 or 12 is selected, such tenancies shall be the "Accepted Tenancies").
19. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities, insurance, rents, tenant deposits including interest, prepaid rents, and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of the date specified in Clause 8.1 (the "Adjustment Date").
20. **INCLUDED ITEMS:** The Purchase Price includes the Accepted Tenancies, any buildings, improvements, fixtures, appurtenances and attachments thereto, and all security systems, security bars, blinds, awnings, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, together with those items set out in Schedule 20A but excluding those items set out in Schedule 20B.
21. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on the date specified in Clause 9.1.
22. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, the Accepted Tenancies and any additional permitted encumbrances set out in Schedule 22.
23. **ADDITIONAL SELLER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Seller makes the additional representations and warranties set out in Schedule 23 to the Buyer.
24. **ADDITIONAL BUYER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Buyer makes the additional representations and warranties set out in Schedule 24 to the Seller.

BUYER'S INITIALS

SELLER'S INITIALS

BC 2053 REV. NOV 2023

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
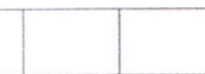
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PROPERTY ADDRESS

25. **GST:** In addition to the Purchase Price, the applicable Goods and Services Tax ("GST") imposed under the *Excise Tax Act* (Canada) (the "Act") will be paid by the Buyer. On or before the Completion Date, the Buyer may confirm to the Seller's Lawyer or Notary that it is registered for the purposes of Part IX of the Act and will provide its registration number. If the Buyer does not confirm that it is a registrant under Part IX of the Act on or before the Completion Date, then the Buyer will pay the applicable GST to the Seller on the Completion Date and the Seller will then remit the GST as required by the Act. All taxes payable pursuant to the *Provincial Sales Tax Act* arising out of the purchase of the Property, will be paid by the Buyer and evidence of such payment will be provided to the Seller.
26. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by bank draft, wire transfer, certified cheque, or Lawyer's/Notary's or real estate brokerage's trust cheque.
27. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registerable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.
- 27A. **SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (A) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); and (B) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the *Income Tax Act*.
28. **TIME:** Time will be of the essence hereof, and unless the balance of the payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
29. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
30. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
31. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.


BUYER'S INITIALS

SELLER'S INITIALS

PROPERTY ADDRESS

32. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.
33. **GOVERNING LAW:** This Contract will be governed by the laws of the Province of British Columbia. The parties submit to the exclusive jurisdiction of the courts in the Province of British Columbia regarding any dispute that may arise out of this transaction.
34. **CONFIDENTIALITY:** Unless the transaction contemplated by this Contract is completed, the Buyer and the Seller will keep all negotiations regarding the Property confidential, and the Buyer will not disclose to any third party the contents or effect of any documents, materials or information provided pursuant to or obtained in relation to this Contract without the prior written consent of the Seller, except that each of the Buyer and the Seller may disclose the same to its employees, inspectors, lenders, agents, advisors, consultants, potential investors and such other persons as may reasonably be required and except that the Buyer and the Seller may disclose the same as required by law or in connection with any regulatory disclosure requirements which must be satisfied in connection with the proposed sale and purchase of the Property.
35. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
36. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and any attached Schedules. All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Date, unless otherwise agreed in writing.
37. **PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "REALTOR[®](s)") described in Clause 38, the real estate boards of which those Brokerages and REALTOR[®]s are members and, if the Property is listed on a Multiple Listing Service[®], the real estate board that operates that Multiple Listing Service[®], of personal information about the Buyer and the Seller:
- A. for all purposes consistent with the transaction contemplated herein;
 - B. if the Property is listed on a Multiple Listing Service[®], for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service[®] and other real estate boards of any statistics including historical Multiple Listing Service[®] data for use by persons authorized to use the Multiple Listing Service[®] of that real estate board and other real estate boards;
 - C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
 - D. for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.
- The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.
38. **AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):


BUYER'S INITIALS


SELLER'S INITIALS


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PROPERTY ADDRESS

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INITIALS

A. The Seller acknowledges having received, read and understood the BC Financial Services Authority (BCFSA) form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Seller has an agency relationship with the Designated Agent(s)/REALTOR®s specified in Clause 10.1 who is/are licensed in relation to the brokerage specified in Clause 10.1.


INITIALS


B. The Buyer acknowledges having received, read and understood the BCFSA form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Buyer has an agency relationship with the Designated Agent(s)/REALTOR®(s) specified in Clause 10.2 who is/are licensed in relation to the brokerage specified in Clause 10.2.


INITIALS

C. The Seller and the Buyer each acknowledge having received, read and understood the BCFSA form entitled "Disclosure of Risks Associated with Dual Agency" and hereby confirm that they each consent to a dual agency relationship with the Designated Agent(s)/REALTOR®(s) specified in Clause 10.3 who is/are. licensed in relation to the brokerage specified in Clause 10.3, having signed a dual agency agreement with such Designated Agent(s)/REALTOR®(s) dated the date set out in Clause 10.4.


INITIALS

D. If only (A) has been completed, the Buyer acknowledges having received, read and understood the BCFSA form "Disclosure of Risks to Unrepresented Parties" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.


INITIALS

E. If only (B) has been completed, the Seller acknowledges having received, read and understood the BCFSA form "Disclosure of Risks to Unrepresented Parties" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

39. **ASSIGNMENT OF REMUNERATION:** The Buyer and the Seller agree that the Seller's authorization and instruction set out in clause 45(c) below is a confirmation of the equitable assignment by the Seller in the Listing Contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.


39A. **RESTRICTION ON ASSIGNMENT OF CONTRACT:** The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

40. **ADDITIONAL TERMS:** The additional terms set out in Schedule 40 are hereby incorporated into and form a part of this Contract.

41. **ACCEPTANCE IRREVOCABLE:**



BUYER'S INITIALS

SEAL The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale, whether executed and sealed by hand or by digital or electronic signature and seal, or otherwise, is hereby executed under seal, which is evidenced by each of the Buyer and the Seller making the deliberate, intentional and conscious act of inserting their initials (whether by hand or electronically) in the appropriate space provided beside this Section 41. The parties intend that the act of inserting their initials as set out above is to have the same effect as if this Contract of Purchase and Sale had been physically sealed by wax, stamp, embossing, sticker or any other manner. It is agreed and understood that, without limiting the foregoing, the Seller's acceptance is irrevocable including without limitation during the period prior to the date specified for the Buyer to either:

DS

SELLER'S INITIALS

- A. fulfill or waive the terms and conditions herein contained; and/or
- B. exercise any option(s) herein contained.


BUYER'S INITIALS

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SELLER'S INITIALS

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PROPERTY ADDRESS

42. **COUNTERPARTS:** The parties agree that this Contract of Purchase and Sale and any amendments or attachments thereto may be executed in counterparts by the parties and delivered originally or by facsimile, email, or other means of electronic transmission. Each such counterpart when so executed and delivered is deemed to be an original and all such counterparts of a relevant document taken together shall constitute one and the same relevant document as though the signatures of all the parties were upon the same document.
43. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**
44. **OFFER:** This offer, or counter-offer, will be open for acceptance until the time and date specified in Clause 11.1 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

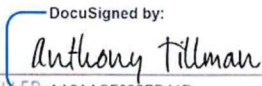



 BUYER	 BUYER	 BUYER	 BUYER
<u>Gordon Wylie</u> PRINT NAME	PRINT NAME	PRINT NAME	PRINT NAME
WITNESS	WITNESS	WITNESS	WITNESS

45. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the cash proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested, forthwith after completion.

Seller's acceptance is dated this 21st day of July yr. 2024.

The Seller declares their residency:

RESIDENT OF CANADA  NON-RESIDENT OF CANADA  as defined under the *Income Tax Act*.

DocuSigned by:  SELLER: AA6AACF632EB41D...	 SELLER	 SELLER	 SELLER
<u>Anthony Tillman</u> PRINT NAME	PRINT NAME	PRINT NAME	PRINT NAME
WITNESS	WITNESS	WITNESS	WITNESS

*PREC represents Personal Real Estate Corporation

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**SCHEDULE "A" TO THE ATTACHED CONTRACT OF PURCHASE
AND SALE (THE "CONTRACT")
FOR THE PROPERTY DESCRIBED IN THE CONTRACT (THE "PROPERTY")**

The following terms and conditions replace, modify, and where applicable override, the terms of the attached contract of purchase and sale, and any modifications, additions or addenda thereto (collectively, the "Standard Contract"). Where any conflict arises between the terms of this Schedule "A" and the Standard Contract, the terms of this Schedule "A" will apply.

The following terms and conditions shall not merge, but shall survive, the completion of any sale of the Property to the Buyer.

The references in Schedule "A" to specific clauses in the Standard Contract are references to the clause numbers in the Contract of Purchase and Sale for Commercial Real Estate used by the British Columbia Real Estate Association (the "Real Estate Board Contract"). If the Standard Contract attached hereto has different clause numbers than the Real Estate Board Contract the terms of Schedule "A" will apply with the necessary changes and with equal effect to the equivalent clauses of the Standard Contract, notwithstanding the different clause numbers.

All references to the "Seller" in the Standard Contract and in this Schedule "A" will be read as references to Alvarez & Marsal Canada Inc., in its capacity as Court Appointed Receiver for Court Order No. S-238711 Vancouver Registry, and not in its personal or corporate capacity.

1. Clause 44 (Acceptance) of the Standard Contract is deleted, and replaced by the following:

"ACCEPTANCE: The acceptance of this offer by the Seller is pursuant to a Court Order made in a receivership proceeding in the Supreme Court of British Columbia (the "Proceeding") and not as seller or owner of the Property. The acceptance of this offer by the Seller is subject to the approval of the Supreme Court of British Columbia (the "Court") and will become effective from the time an Order is made by the Court approving this offer. The Buyer acknowledges and agrees that the date of the application for that Order will be at the sole discretion of the Seller. The Buyer also acknowledges and agrees that the Seller's obligations in connection with this offer, until it is approved by the Court, are limited to putting this offer before the Court. Thereafter, the Seller is subject to the jurisdiction and discretion of the Court to entertain other offers and to any further Orders the Court may make regarding the Property. Given the Seller's position and the Seller's relationship to other parties in the Proceeding, the Seller may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Property. Seller gives no undertaking to advocate the acceptance of this offer. In that regard, the Buyer must make its own arrangements to support this offer in Court.

The Buyer acknowledges and agrees that the Seller can disclose the amount of this offer, once accepted, to any person.

The Buyer acknowledges and agrees that the normal and accepted practice of the Court on an application for an Order approving a sale, when faced with more than one bid, is to then direct all bidders (including the original bidder) to each forthwith submit a final bid in a one round judicial sealed bid auction. The Buyer agrees to this procedure, without limitation in any way.

If the Court vacates, sets aside or varies an Order approving this offer for any reason whatsoever (except any willful misconduct of the Seller), then the Seller shall not be liable to the Buyer or any other person in any way whatsoever, in connection therewith."

2. Clause 22 (Title) of the Standard Contract is deleted, and replaced by the following:

"TITLE: Free and clear of all encumbrances of the parties to the Proceeding, in accordance with an Order of the Court (the **"Vesting Order"**) except: subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies, and except as otherwise set out herein."

3. This offer (and any contract formed by its acceptance) may be terminated by the Seller at any time prior to the completion date in the Standard Contract if any Order of the Court or other court of competent jurisdiction renders the completion impossible or inadvisable, or if the Seller determines in its sole discretion that it is inadvisable to present this Offer to the Court, and the Seller will then have no further obligations or liability to the Buyer.

4. If the Vesting Order is made, and if the Seller does not terminate this offer or any contract formed by its acceptance, then the Buyer must complete the sale on the completion date in the Standard Contract (or such other date as might be in the Vesting Order), time being of the essence, regardless of any appeal or application for leave to appeal, vary or set aside the Vesting Order, by any person.

5. The Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the **"CBA Standard Undertakings"**) are of no application whatsoever, to the Standard Contract or a sale of the Property by the Seller.

6. Clause 30 (Clearing Title) is deleted and replaced by the following:

"CLEARING TITLE: If there are existing registered financial charges to be paid under the terms of the Vesting Order, the Seller may wait to pay such existing financial charges until immediately after receipt of the Purchase Price, but in this event the Buyer may pay the Purchase Price to Seller's lawyer in trust, on undertakings to pay those financial charges in accordance with the Vesting Order."

7. Clause 26 (Tender) of the Standard Contract is deleted, and replaced by the following:

"TENDER: Tender or payment of monies by the Buyer to the Seller, and all deposits paid by the Buyer, will be by certified cheque, bank draft, or lawyer's or notary's trust cheque, only."

8. The Buyer acknowledges and agrees the Property include real property only, and no personal, incorporeal or other property.

9. Clause 20 (Included Items) of the Standard Contract is deleted and replaced by the following:

"INCLUDED ITEMS: The assets being purchased under this Contract do not include any personal property."

10. Clause 21 (Viewed) of the Standard Contract is deleted and replaced by the following:

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"VIEWED: The Buyer acknowledges and agrees that the Seller is selling the Property and the Buyer is buying the Property and, if applicable, any interest in a strata corporation and its property (the "Strata Property") on a strictly "as is, where is" basis as of the time of actual possession. Without limiting the generality of the foregoing, the Buyer acknowledges and agrees that the Seller has not made and will not make any warranty or representation whatsoever with respect to the Property or to any Strata Property, and no such warranty or representation is expressed or can be implied including, without limitation, any warranty or representation as to environmental condition, size, dimensions, fitness, design or condition for any particular purposes, quality, or the existence of any defect, whether latent or patent. The Buyer waives any right to a site profile or any other report under the *Environmental Management Act* (British Columbia), or any other legislation. The Buyer acknowledges and agrees that it has conducted any inspections with respect to the condition of the Property, including in relation to environmental issues, that the Buyer deems appropriate, and has satisfied itself with regard to such matters.

If the Seller has provided the Buyer with any environmental or other reports or information regarding the Property (the "Information"), the Buyer acknowledges and agrees that the Seller has not made and will not make any warranty or representation whatsoever regarding the Information, including the accuracy or completeness of the Information, and any use that the Buyer or others may make of the Information is strictly at the Buyer's own risk".

11. In this paragraph, "Environmental Liabilities" means all losses of any kind suffered by or against any person, business or property, including or as a result of any order, investigation or action by any government authority, arising from or with respect to any one or more of the following:
- a) the release or presence of any hazardous material, contaminant, pollutant or other substance that creates a risk of harm or degradation, immediately or at some future time, to the environment or to human health;
 - b) liability under any applicable law in relation to the environment, including, without limitation, the *Environmental Management Act* (British Columbia) and the Regulations thereto, for any costs incurred, whether for cleanup, repair, assessment, prevention of damage, injury or destruction, or otherwise, by any government authority or any other person, or for damages from injury to or destruction of property;
 - c) liability for personal injury or property damage arising in connection with any breach of any applicable environmental laws, including civil, criminal or quasi-criminal laws, or under any statutory or common law tort or similar theory.

The Buyer irrevocably releases, remises and forever discharges the Seller and the Seller's administrators, successors, assigns, directors, officers, employees and agents (collectively, the "Releasees") of and from any and all manner of actions, claims, causes of action, litigation, obligations or liabilities, whether at common law, equity or statutory, including, without limitation, the *Environmental Management Act* (British Columbia) and the Regulations thereto, which the Buyer has, could have or will have in the future, whether before or after the Buyer takes title to or possession of the Property, which in any way arise out of or relate to any Environmental Liabilities in relation to the Property including, without limiting the generality of the foregoing, in relation to any environmental concerns (the "Environmental Concerns") which the Seller has disclosed to the Buyer.

The Buyer irrevocably agrees to indemnify and hold and save harmless each of the Releasees from and against any and all Environmental Liabilities, including in relation to the Environmental Concerns, that any Releasee may sustain or incur as a result of, in connection with or in any way related to the Property.

12. Clause 28 (Time) of the Standard Contract is deleted, and replaced by the following:

"TIME: Time will be of the essence hereof, and unless the balance of the cash payment is paid on or before the Completion Date, the Seller may at the Seller's option, either terminate or reaffirm the Contract, and the deposit will be non-refundable and absolutely forfeited to the Seller, without prejudice to the Seller's other rights and remedies. These terms and conditions are for the sole benefit of the Seller".

13. No property condition disclosure statement concerning the Property forms part of the Standard Contract, whether or not such a statement is attached to the Standard Contract.
14. The Seller is not required to provide the Buyer with a Form F, a Form B, or any other documents with relation to any Strata Property. If the Seller or any agents of the Seller provides the Buyer with any such documents, neither the Seller nor the agents of the Seller makes any representations or warranties whatsoever, with or to the Buyer or any other person, regarding such documents, their contents, accuracy, completeness or otherwise.
15. Clause 18 (Possession) of the Standard Contract is modified, by adding the following:
 - a) Possession will be by operation of and pursuant to the terms of the Order.
 - b) No adjustments, including but not limited to adjustments for rents or security deposits, will be made to the purchase price on account of any tenancies.
 - c) If any occupant, including the owner or a tenant, of the Property who is legally obligated to does not vacate the Property by the possession date, then the Seller will apply for a Writ of Possession and if the writ is granted will instruct a Court Bailiff to deliver vacant possession to the Buyer. This is the Seller's only obligation as regards possession. The Seller will not be liable to the Buyer or any other person in any way whatsoever (apart from the Seller's obligation to apply for a Writ of Possession and instruct a Court Bailiff if the Writ of Possession is obtained), if vacant possession cannot be delivered to the Buyer on the possession date, and the occupants are legally required to vacate the Property. The Buyer acknowledges that considerable time is often required, to obtain Writs of Possession.
 - d) The Seller will not be responsible for removing any personal property left on or about the Property, by any occupant of the Property or otherwise.
16. The Vesting Order will describe the Buyer exactly as the Buyer appears at the upper right on the first page of the Standard Contract, so the Buyer as described at the upper right on the first page of the Standard Contract will appear as the owner of the Property after completion of a sale of the Property. Seller will not be bound by any term in the Standard Contract describing the Buyer otherwise, or allowing the Buyer to complete the sale with a different name.
17. The Buyer acknowledges and agrees as follows, with respect to the residency of the owner (the "Owner") of the Property, and Section 116(5) of the Canada *Income Tax Act* (the "ITA"):
 - a) the Buyer and the agents of the Buyer will, at the request of the Seller, make reasonable inquiries of the Seller and the agents of the Seller, regarding the residency of the owner of the Property;
 - b) unless, after making such inquiries, the Buyer has good reason to believe the Owner resides outside Canada, then the Buyer shall have no right to pay any of the purchase monies to the Receiver General; and

- 5 -

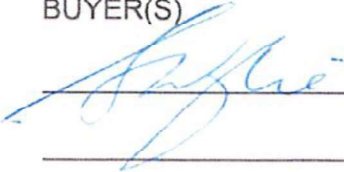
- c) if, after making such inquiries, the Buyer has good reason to believe the Owner resides outside Canada, then the completion date in the Contract shall at the option of the Seller be extended for up to 60 days, allowing the Seller the opportunity to apply to Court for an Order Absolute (and thereby become the owner of the Property, and the seller of the Property for all purposes, including the purposes of Section 116(5) of the ITA; and the Buyer shall then have no right to pay any of the purchase monies to the Receiver General).
18. The Buyer is responsible, immediately on completion of the sale of the Property to the Buyer, for paying any and all taxes arising from or in connection with the sale (including Property Transfer Tax and GST). The Seller can, at its option, require the Buyer to pay it any such GST immediately on completion of the sale (and in that event the Seller will then remit such tax to Canada Revenue Agency).
19. The Buyer authorizes the Seller and its agents and insurers to disclose to third parties any personal and/or other information arising from or in any way connected with the Property, or the sale of the Property to the Buyer.
20. If the Property is a strata lot or is otherwise subject to the provisions of the *Strata Property Act* (British Columbia), and if after the date of this Contract the Seller pays to the strata corporation, or causes to be paid to the strata corporation or otherwise satisfied whether by way of adjustment on closing or otherwise, all or part of a special levy that is payable before the Completion Date ("Pre-Closing Special Levy"), whether under section 109 of the *Strata Property Act* or otherwise, then the Seller will pay or cause to be paid or satisfied the Pre-Closing Special Levy and any interest and costs related thereto, and the Purchase Price will be increased by the amount of the Pre-Closing Special Levy, and related interest and costs if any, paid or caused to be paid or satisfied by the Seller.
21. If the Property is a strata lot or is otherwise subject to the provisions of the *Strata Property Act* (British Columbia), and if after the Completion Date funds are available for distribution to strata lot owners in the strata corporation for the Property relating to all or part of any special levy and related interest and costs paid by the Seller, other than a Pre-Closing Special Levy which was paid by the Seller and for which the Purchase Price was increased on the terms set out herein (such special levy and related interest and costs available for distribution herein called the "Reimbursed Special Levy"), whether the Reimbursed Special Levy arose by way of reimbursement of surplus funds or by recovery from a third party under litigation, mediation or settlement, or by any other means, then:
- a) the Buyer hereby assigns to the Seller the Reimbursed Special Levy which is payable or owing to the Buyer, and all rights of the Buyer in and to the Reimbursed Special Levy;
- b) the Buyer will hold the Reimbursed Special Levy paid or payable to it in trust for the Seller and will pay to the Seller immediately upon receipt all or any portion of the Reimbursed Special Levy which is paid to the Buyer; and
- c) the Buyer irrevocably directs the strata corporation to pay directly to the Seller the Reimbursed Special Levy due to the Buyer.

The provisions of this section will survive the completion of the sale of the Property.

- 6 -

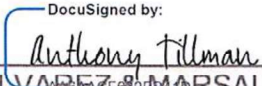
22. This Agreement may be signed in counterparts and each such counterpart will constitute an original document and, taken together, will constitute one and the same instrument.

BUYER(S)



Date: July 26/2024

SELLER

DocuSigned by:


ALVAREZ & MARSAL CANADA INC.,
in its capacity as Court Appointed Receiver
for Court Order No. S-238711 Vancouver
Registry, and not in its personal or
corporate capacity.

Date: 7/29/2024 | 3:18 PM PDT



CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE SCHEDULE

MLS® NO: _____ DATE: July 26, 2024

RE: ADDRESS: 2245 McAllister Avenue Port Coquitlam BC V3C 2A9

LOT 1 DISTRICT LOT 378 GROUP 1 NEW WESTMINSTER LAND DISTRICT PLAN EPP107096

LEGAL DESCRIPTION

PID: 031-366-708

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED July 26, 2024

MADE BETWEEN NorthStar Acquisitions Ltd. AS BUYER(S), AND

Alvarez & Marsal Canada Inc., as receiver for Court Order No.S-238711 AS SELLER(S) AND COVERING
THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

15: Deposit

The Buyer will pay a refundable deposit of \$50,000 (the "First Deposit") upon Acceptance of this Contract of Purchase and Sale (the "Contract").

The Buyer will pay a deposit of \$950,000 (the "Second Deposit") upon removal of the Buyer's Conditions, if any, or upon Acceptance of this Contract if there are no Buyer's Conditions, for a total Deposit amount of \$1,000,000.

Upon removal of the Buyer's Conditions or acceptance of this Contract with no Buyer's Conditions, the Deposit shall be non-refundable except in the event that the Seller's Conditions are not satisfied.

16A: Buyer's Conditions

The obligation of the Buyer to complete the purchase of the Property on the Completion Date is subject to and conditional upon the following Buyer's Conditions being satisfied or waived no later than ~~forty five (45) days~~ ^{45 DAYS} following acceptance of this offer: DS AT

1. the Buyer being satisfied in its sole discretion with its review of title to the Property and all other related documents;
2. the Buyer being satisfied in its sole discretion with the feasibility of the proposed development.
3. the Buyer may assign this Contract of Purchase and Sale, without the prior written consent of the Seller, to an affiliated company of the Buyer.

Initial GW 4. the Buyer has the rights to all consultant design work including drawings and all deposits held by the City of Port Coquitlam. DS AT

BUYER

Gordon Wylie

PRINT NAME

WITNESS

DocuSigned by:

SELLER

Anthony Tillman

PRINT NAME

WITNESS

BUYER

PRINT NAME

WITNESS

SELLER

PRINT NAME

WITNESS

BUYER

PRINT NAME

WITNESS

SELLER

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WITNESS



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Alvarez & Marsal Canada Inc., as receiver for Court Order No.S-238711 AS SELLER(S) AND COVERING

THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

16B: Seller's Conditions

This Contract is subject to the Seller obtaining a court order from the BC Supreme Court approving this Contract within 21 days following the satisfaction of the Buyer's Conditions, or upon acceptance of the Contract if there are no Seller's Conditions, or any other subsequent date as mutually agreed upon in writing by both the Seller and the Buyer.

Completion, Possession and Adjustment Date:

The Completion, Possession and Adjustment date shall be ~~120 days~~ following court approval.

~~120 days~~
60 days
Initial EW DS AT

BUYER

Gordon Wylie

PRINT NAME

WITNESS

DocuSigned by:

SELLER

Anthony Tillman

PRINT NAME

WITNESS

BUYER

PRINT NAME

WITNESS

SELLER

PRINT NAME

WITNESS

BUYER

PRINT NAME

WITNESS

SELLER

PRINT NAME

WITNESS

New Tenant Intake Form

	Folder	Dropbox	Website	Yardi	Rent Moola	Excel Sheet
L Lease Agreement						
L Photo ID						
L Application Form						
L Tenant Insurance & Security Dep						
L Form K Sent to Strata						
L Move in fee Paid						
L Move-In Info Sheet sent to Tenants						
A Setup Yardi						
A Tenant Banking Information						
Setup Website						
L New Tenant Name / Contact Info						
L Update Rent						
L Mark as Leased						
L Move In Inspection						
L Credit Check						
L Strata and builgin info						

NOT APPLICABLE

[Signature]

No. S-238711
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

CANADIAN WESTERN BANK

PETITIONER

AND

QUARRY ROCK DEVELOPMENTS (MCALLISTER)
INC., QUARRY ROCK DEVELOPMENTS
(MCALLISTER) LIMITED PARTNERSHIP, LAWSON
ACQUISITIONS LTD., WILLIS DEVELOPMENTS
INC., AND QUARRY ROCK DEVELOPMENTS INC.

RESPONDENTS

REQUISITION - GENERAL

DLA Piper (Canada) LLP
Barristers & Solicitors
Suite 2700
1133 Melville Street
Vancouver, BC V6E 4E5

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 076334-00014

CDB/day