



No. S-243389  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF  
ECOASIS DEVELOPMENTS LLP AND OTHERS

BETWEEN

**SANOVEST HOLDINGS LTD.**

PETITIONER

AND

**ECOASIS DEVELOPMENTS LLP,  
ECOASIS BEAR MOUNTAIN DEVELOPMENTS LTD.,  
ECOASIS RESORT AND GOLF LLP,  
0884185 B.C. LTD., 0884188 B.C. LTD.,  
0884190 B.C. LTD., 0884194 B.C. LTD.,  
BM 81/82 LANDS LTD., BM 83 LANDS LTD.,  
BM 84 LANDS LTD., BM CAPELLA LANDS LTD.,  
BM HIGHLANDS GOLF COURSE LTD.,  
BM HIGHLANDS LANDS LTD.,  
BM MOUNTAIN GOLF COURSE LTD., and  
BEAR MOUNTAIN ADVENTURES LTD.**

RESPONDENTS

NINTH REPORT OF THE RECEIVER  
ALVAREZ & MARSAL CANADA INC.

November 28, 2025



ALVAREZ & MARSAL

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## 1.0 INTRODUCTION

- 1.1 On September 18, 2024, upon the application of Sanovest Holdings Ltd. (the “**Petitioner**” or “**Sanovest**”) in the Supreme Court of British Columbia (the “**Court**”) Action No. S-243389, Vancouver Registry, the Court granted an order (the “**Receivership Order**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended appointing Alvarez & Marsal Canada Inc. as receiver and manager (in such capacity, the “**Receiver**”) without security, of certain lands of the Respondent Bear Mountain Adventures Ltd. (“**BMA**”), any interests in real property of Ecoasis Resort and Golf LLP (“**Resorts**”) and all of the assets, undertakings and property of the Respondents Ecoasis Developments LLP (“**EDL**”), Ecoasis Bear Mountain Developments Ltd. (“**EBMD**”), 0884185 B.C. Ltd., 0884188 B.C. Ltd., 0884190 B.C. Ltd., 0884194 B.C. Ltd., BM 81/82 Lands Ltd., BM 83 Lands Ltd., BM 84 Lands Ltd., BM Capella Lands Ltd., BM Highlands Golf Course Ltd., BM Highlands Lands Ltd. and BM Mountain Golf Course Ltd. (collectively, “**Developments**” and together with BMA and Resorts, the “**Ecoasis Entities**”). Developments and Resorts are hereinafter referred to as “**Ecoasis**”, and these proceedings are referred to as the “**Receivership Proceedings**”.
- 1.2 Pursuant to paragraph 2(b) of the Receivership Order, Resorts’ operations and business (the “**Resorts Business**”), subject to further order of this Court, shall continue to be managed by EBMD, provided that EBMD and Resorts are required to provide access and cooperation to the Receiver pursuant to paragraphs 7 to 10 of the Receivership Order, including in respect of Resorts and the Resorts Business. For greater clarity, the Resorts Business does not include the ownership, disposition or encumbrance of any interests in real property.
- 1.3 Pursuant to paragraph 4 of the Receivership Order, the Receiver was to deliver, on or before October 25, 2024, a report (the “**Resorts Report**” or the “**First Report**”) and recommendation regarding Resorts, including the inclusion of other assets, undertakings and properties of Resorts, management by EBMD of the Resorts Business and whether EBMD ought to continue to manage the Resorts Business and, if so, on what terms, if any. Accordingly, on October 25, 2024, the Receiver delivered the Resorts Report to 599315 B.C. Ltd. (“**599**”) and Mr. Matthews, and Sanovest and their respective legal counsel. 599, Mr. Matthews and Sanovest are hereinafter collectively referred to as the “**Shareholders**”.
- 1.4 At the request of the Court, a Judicial Management Conference was held on November 15, 2024.

- 1.5 Pursuant to paragraph 6 of the Receivership Order, the Receiver was to deliver, on or before December 2, 2024, or such other date as the Court may order, a report (the “**Developments Report**” or the “**Second Report**”) in respect of a marketing and sales process, to be approved by the Court, and shall only market or sell the Property or business in accordance with that marketing and Sales Process, except for the sale of Property within the limits in paragraph 3(l)(i) of the Receivership Order. Accordingly, on December 2, 2024, the Receiver delivered the Developments Report to 599, Mr. Matthews, and Sanovest, and their respective legal counsel.
- 1.6 On December 9, 2024, pursuant to the recommendations made in the Resorts Report, management of Resorts (“**Resorts Management**”) provided to the Receiver its response (the “**Resorts Response**”) reporting on corrective measures to address deficiencies and challenges described in the Resorts Report, and Resorts Management’s plans where such steps could not be implemented in the very near term. On December 20, 2024, the Receiver delivered an interim report with its preliminary comments on the Resorts Response (the “**Third Report**”).
- 1.7 On January 30, 2025, upon the application made by the Receiver on January 24, 2025, a hearing was held to seek advice and directions from the Court including (i) whether the First Report, Second Report and/or the Third Report (collectively, the “**Reports**”), or any of them, ought to be filed with the Court; and (ii) if the Reports, or any of them, were directed by the Court to be filed with the Court, whether any of the Reports, or portions thereof, ought to be filed under seal. The Court confirmed that pursuant to the terms of the Receivership Order the Reports are not required to be filed with the Court.
- 1.8 On April 14, 2025 and June 5, 2025, the Receiver delivered the fourth report (the “**Fourth Report**”) and supplemental report to the Fourth Report (the “**Supplement to the Fourth Report**”), respectively, to 599, Mr. Matthews and Sanovest and their legal counsel, which provided a status update on, among other things, the Resorts Response and the Receiver’s comments and recommendations related to same.
- 1.9 On June 16, 2025, Sanovest filed a notice of application seeking an order approving, among other things, the following: (i) the amendment and restatement of the Receivership Order granted on September 18, 2024, to appoint Alvarez & Marsal Canada Inc. as receiver and manager (the “**Receiver**”) of the property, operations, and business of Resorts, including its interest in the arbitration proceedings (the “**Hotel Arbitration**”); (ii) a declaration that the Receiver is empowered and authorized to manage and participate in the Hotel Arbitration on behalf of Resorts; and (iii) the inclusion of the Resorts’ Business and the Hotel Arbitration within the scope of the Receivership Proceedings.

- 1.10 On June 16, 2025, Sanovest filed a notice of application seeking an order approving, among other things, the following: (i) a declaration of the amount owing to Sanovest as \$67,899,709.85 as at May 26, 2025, with interest accruing thereafter at the rate of 8% per annum compounded quarterly, plus accrued and accruing legal costs on a solicitor-and-his-own-client basis; (ii) a declaration that Sanovest's security interest, including the General Security Agreement dated October 8, 2013, the mortgages dated October 8, 2013 (amended in 2016), and the beneficiary authorization and charge agreements dated October 8, 2013, is valid and enforceable, charging all real and personal property of the Ecoasis Entities.
- 1.11 On June 17, 2025, the Receiver filed its fifth report dated June 17, 2025, in support of its application seeking an order approving, among other things, the following: (i) an increase to the Receiver's borrowings charge (the "**Receiver's Borrowing Charge**") from \$2.5 million to \$6.6 million; and (ii) the activities of the Receiver since the date of the Second Report.
- 1.12 On June 18, 2025, the Court granted an order approving (i) an increase to the Receiver's Borrowing Charge; and (ii) the activities of the Receiver since the date of the Second Report.
- 1.13 On June 25, 2025, the Receiver made an application to Court seeking advice and direction from the Court with respect to whether the First Report, Second Report, Third Report, Fourth Report, and Supplement to the Fourth Report (collectively, the "**Reports**"), or portions thereof ought to be filed under seal. The Court confirmed that certain portions of the Reports, as proposed by the Receiver, Sanovest and 599, ought to be redacted due to the confidential nature in respect of the business and assets of Ecoasis.
- 1.14 On July 4, 2025, upon the application of Sanovest, the Court granted a case plan order (the "**Case Plan Order**") which, among other things, scheduled a hearing for November 3-5, 2025 (the "**November Hearing**") before Justice Walker concerning Sanovest's notice of application filed June 16, 2025 (the "**Declaration of Indebtedness Application**").
- 1.15 On July 10, 2025, upon the application of Sanovest (as described in section 1.9 above), the Court amended the Receivership Order (the "**Amended Receivership Order**") to expand the Receivership Proceedings and appoint A&M as receiver and manager, without security, of the Property and all of the Resorts Business, including Resorts' interest in the Hotel Arbitration between Resorts and Bear Mountain Resort & Spa Ltd., BM Management Holdings Ltd. and BM Resort Assets Ltd. For greater clarity, paragraphs 2 and 13 of the Receivership Order, which excluded the Resorts Business and Resorts' interest in the Hotel Arbitration from the receivership, are no longer of any force or effect.

1.16 On July 15, 2025, upon the application of the Receiver, the Court granted an order (the “**SISP Order**”) approving the following:

- a) the sale and investment solicitation process (“**SISP**”) to permit interested parties to participate in a sales process and present offers on some, all or substantially all of the lands, real estate of Ecoasis (the “**Property**”) and the Resorts Business;
- b) the engagement of a sales agent, Colliers Macaulay Nicolls Inc. (“**Colliers**” or the “**Sales Agent**”) to solicit offers from interested parties in accordance with the SISP;
- c) a charge (the “**Sales Agent Charge**”) on the Property as security for the payment of the fees of the Sales Agent up to a maximum of \$1 million; and
- d) a declaration that the contractual rights and remedies of third parties specifically restricting the transfer of the Property and/or the Business of Ecoasis including, but not limited to, provisions with respect to any right of first refusal with respect to the sale of an interest in Ecoasis or its Property and/or Business (a “**ROFR**”), are stayed and suspended in the context of the SISP.

1.17 On October 27, 2025, the Receiver filed its seventh report dated October 27, 2025 (the “**Seventh Report**”), in support of its application seeking an order to approve an increase to the Receiver’s Borrowing Charge from \$6.6 million to \$8.8 million. On November 3, 2025, the Court granted an order approving the increase to the Receiver’s Borrowing Charge to \$8.8 million.

1.18 On November 12, 2025, upon the application of Sanovest, the Court granted an order (the “**Indebtedness Order**”), which declared, among other things, the following:

- a) the amount due and owing to Sanovest from EDL is: (i) \$62,251,535.35 as at November 10, 2025 plus Sanovest's legal costs to be assessed, with interest accruing thereafter at the rate of 8% per annum and compounded quarterly (collectively, the “**Secured Debt**”); plus (ii) \$4,992,563.84 as at December 31, 2025, with interest accruing thereafter at the rate of 8% per annum and compounded quarterly (the “**Sanovest Unsecured Debt**”);
- b) the Secured Debt owing to Sanovest by EDL and the Guarantors is secured by and under the Security (as defined in the Indebtedness Order), ranking in priority to all other interests and charges except charges created by the orders made in the Receivership Proceedings and, in respect of certain real property, the mortgage registered in favour of HSBC Trust Company (Canada); and
- c) Sanovest is awarded costs as follows:
  - i. costs of the Receivership Proceedings to date on a special costs basis; and

- ii. costs incurred outside of a judicial proceeding, if any, on a solicitor-and-own-client basis.

1.19 On November 25, 2025 the Receiver filed its eighth report dated November 24, 2025 (the “**Eighth Report**”), and a notice of application for an approval and vesting order (the “**AVO**”) to approve the proposed sale transaction contemplated by the asset purchase and agreement between the Receiver, in its capacity as Court-appointed receiver of Ecoasis, and a newly formed entity, Groundplay Developments Ltd. (“**Groundplay**” or the “**Purchaser**”) (the “**Groundplay Bid**”). Groundplay is an affiliate of 599.

1.20 The Receivership Order and the Amended Receivership Order along with other materials filed with the Court in these Receivership Proceedings (the “**Filed Materials**”), are available on the Receiver’s website (the “**Receiver’s Website**”) at [www.alvarezandmarsal.com/ecoasisdevelopments](http://www.alvarezandmarsal.com/ecoasisdevelopments).

## **2.0 PURPOSE OF THE NINTH REPORT**

2.1 This Ninth Report has been prepared to provide the Court with information in respect of the following:

- a) the revised bid received from Sanovest on November 21, 2025 (the “**Second Sanovest Bid**”);
- b) a comparison of the Second Sanovest Bid to the Groundplay Bid and the bid submitted by Sanovest (the “**First Sanovest Bid**”) prior to the Final Bid Deadline, being November 3, 2025 (the “**Final Bid Deadline**”); and
- c) other information and developments that have occurred in the past week that the Receiver considers to be relevant.

## **3.0 TERMS OF REFERENCE**

3.1 In preparing the Ninth Report, the Receiver has relied upon the representations of certain management (“**Management**”) and employees of Ecoasis as well as unaudited financial information contained in the books and records of Ecoasis.

3.2 The Receiver has undertaken preliminary reviews and investigations in respect of the assets and liabilities of Ecoasis; however, it has not performed an audit, review or otherwise substantiated the completeness or accuracy of the financial position of Ecoasis that would wholly or partially comply with the Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the information.

3.3 Capitalized terms not defined in this Ninth Report have the meanings ascribed to them in the Receivership Order, the Amended Receivership Order, the Reports and Filed Materials.

3.4 All monetary amounts in the Ninth Report are expressed in Canadian dollars unless stated otherwise.

**4.0 UPDATED PURCHASE AGREEMENT SUMMARY**

4.1 Presented in the table below is a comparison of the bids submitted by Groundplay and Sanovest. The Second Sanovest Bid, as well as the supporting calculations provided by Sanovest (“**Sanovest Calculation**”) are attached herewith as **Appendix “A”**. Capitalized terms not defined herein have the meanings ascribed to them in their respective purchase agreements:

<b>Bid</b>	<b>Groundplay Bid</b>	<b>First Sanovest Bid</b>	<b>Second Sanovest Bid</b>
<b>Parties</b>	<b>Purchaser:</b> Groundplay Developments Ltd. <b>Guarantor:</b> 599315 B.C. Ltd ("599")	<b>Purchaser:</b> Sanovest Holdings Ltd.	
<b>Date Received</b>	November 3, 2025	November 3, 2025	November 21, 2025
<b>Purchase Price</b>	<p>Purchase price shall be \$141,440,724.50 plus the value of certain additional Assumed Liabilities.</p> <p>The purchase price of \$141.4 million includes assumption of \$1,236,836.77 owing to DLA Piper related to the Hotel Arbitration and \$203,887.73 in respect of accrued vacation pay and banked overtime obligations of Resorts and Developments as at November 1, 2025.</p> <p>As to \$7,500,000 of the Purchase Price, the Purchaser shall issue to Developments 7,500,000 Redeemable Special Shares in the capital of the Purchaser, such shares to have the special rights and restrictions.</p> <p>Total cash consideration is \$132.5 million.</p>	<p>\$135,000,000 stated equivalent purchase price structured as a credit bid with assumed liabilities, including a maximum \$7,500,000 buyout to the partner, 599 but subject to certain adjustments.</p> <p>Purchaser shall pay the lesser of:</p> <ol style="list-style-type: none"> <li>The net after-tax amount that the Court determines would be receivable by 599 under Article 11 of the EDL Partnership Agreement (taking into account prior distributions), based on gross sale proceeds of \$135,000,000, after payment of all liabilities of the Debtors and applying the following:           <ol style="list-style-type: none"> <li>Adjustments for amounts owing to the Debtors by Daniel Matthews, 599, Michele Stannard, or any other entity controlled by them, as determined by the Excluded Litigation.</li> <li>Tax calculations, which include:</li> </ol> </li> </ol>	<p>\$157,859,232 stated equivalent purchase price structured as a credit bid with assumed liabilities, including an \$8,000,000 buyout to the partner, 599.</p> <p>Purchaser shall pay:</p> <ol style="list-style-type: none"> <li>\$8,000,000 to 599, which Sanovest calculates as the maximum amount payable to 599 for the cancellation of its shares in EBMD and its partnership units in EDL based on the above noted purchase price; and</li> <li>a Claim Fund in the amount of \$5,000,000 which shall be used to pay Creditor Claims in full (i.e. unsecured creditor claims of trade creditors and suppliers). In the event excess funds remain in the Claim Fund after payment of all amounts required to satisfy Creditor Claims, the excess funds shall be returned to the Purchaser.</li> </ol>

Bid	Groundplay Bid	First Sanovest Bid	Second Sanovest Bid
		<ul style="list-style-type: none"> <li>i. A tax rate of 27% applied to income allocated to 599 under the EDL Partnership Agreement;</li> <li>ii. Application of all available losses by EDL in the year of liquidation and previously allocated losses to 599; and</li> <li>ii. \$7,500,000, which is the maximum amount payable to 599 for the cancellation of its shares in EBMD and its partnership units in EDL.</li> </ul>	
<b>Deposit</b>	\$6,625,000 representing 5% of the cash portion of the Purchase Price.	\$375,000 representing 5% of the maximum amount payable to 599.	\$5,000,000 inclusive of (i) the \$375,000 deposit paid in respect of the First Sanovest Bid and (ii) \$4,625,000.
<b>Satisfaction of Purchase Price</b>	<p>At Closing, the Purchase Price will be paid and satisfied as follows:</p> <ul style="list-style-type: none"> <li>i. apply Deposit of \$6,625,000.00 against the Purchase Price;</li> <li>ii. Purchaser will issue 7,500,000 Redeemable Special Shares in its capital to Developments;</li> <li>iii. Purchaser assumes liabilities of \$1,236,836.77 related to Hotel Arbitration and \$203,887.73 for accrued vacation pay of employees as of November 1, 2025;</li> <li>iv. Purchaser will pay \$125,875,000 to the Receiver; and</li> <li>v. Purchaser will assume the Assumed Liabilities.</li> </ul>	<p>The Purchase Price shall be inclusive of the Deposit and paid as follows:</p> <ul style="list-style-type: none"> <li>i. the Deposit of \$375,000; and</li> <li>ii. as to the balance of the Purchase Price, by way of the delivery of the Sanovest Secured Note to secure the amount payable to 599.</li> </ul>	<p>The Purchase Price shall be inclusive of the Deposit and paid as follows:</p> <ul style="list-style-type: none"> <li>i. the Deposit of \$5,000,000; and</li> <li>ii. as to the balance of the Purchase Price, on Closing by wire transfer of immediately available funds to an account designated by the Receiver.</li> </ul>
<b>Purchased Assets –</b>	<p>The Final Bids generally include the following purchased assets:</p> <ul style="list-style-type: none"> <li>i. all real property legally or beneficially owned;</li> </ul>		

Bid	Groundplay Bid	First Sanovest Bid	Second Sanovest Bid
<b>Common between bidders</b>	<ul style="list-style-type: none"> <li>ii. all chattels located on the Real Property;</li> <li>iii. all of the operations and business of Ecoasis;</li> <li>iv. all inventory, prepaid expenses and third-party receivables;</li> <li>v. Developments' 50% equity interest in BMLH (Cypress Gates);</li> <li>vi. Resorts' interest in the Hotel Arbitration; and</li> <li>vii. all contracts related to the operations of Ecoasis.</li> </ul>		
<b>Purchased Assets – Final Bid Differences</b>	N/A	The Purchased Assets also include: <ul style="list-style-type: none"> <li>i. cash (expected to be minimal);</li> <li>ii. intercompany and affiliate (including Shareholder) receivables; and</li> <li>iii. the right, title, interest and benefit in and of the Excluded Litigation (Action Nos. S-234047, S-234048, and S-223937).</li> </ul>	
<b>Excluded Assets</b>	<p>Excluded assets include, among other things:</p> <ul style="list-style-type: none"> <li>i. cash (expected to be minimal);</li> <li>ii. any amounts that may be owing to a Debtor from any other Debtor or from any partner of Developments; and</li> <li>iii. any interests and/or obligations of the Debtors in legal actions identified as Action Nos. S-234047, S-234048, and S-223937.</li> </ul>	No excluded assets.	
<b>Assumed Liabilities / Retained Liabilities</b>	<p>Assumed Liabilities include, among other things:</p> <ul style="list-style-type: none"> <li>i. amounts necessary to cure monetary defaults for the assignment and assumption of the Assigned Contracts;</li> <li>ii. liabilities of Resorts to customers and members;</li> <li>iii. in connection with the purchase of Developments' 50% partnership interest in BMLH (Cypress Gates), the Purchaser assumes: <ul style="list-style-type: none"> <li>a. liabilities arising from legal actions related to Cypress Gates;</li> </ul> </li> </ul>	All liabilities of EDL, EBMD and Resorts.	<p>Retained Liabilities, include, among other things:</p> <ul style="list-style-type: none"> <li>i. the Sanovest Debt (as defined in the Second Sanovest Bid);</li> <li>ii. amounts owing to HSBC in respect of the Participation Agreement; the City of Langford lawsuit/claim;</li> <li>iii. the Receiver's borrowings pursuant to the Receivership Order to the extent funded by Sanovest;</li> <li>iv. amounts owing to Mr. Tomosun Kusumoto; and</li> </ul>

<b>Bid</b>	<b>Groundplay Bid</b>	<b>First Sanovest Bid</b>	<b>Second Sanovest Bid</b>
	<ul style="list-style-type: none"> <li>b. any unpaid strata fees;</li> <li>c. any indirect liabilities of Developments and EBMD related to liabilities of BMLH;</li> <li>iv. liabilities owing to employees of Resorts or Developments, including: <ul style="list-style-type: none"> <li>a. accrued vacation pay;</li> <li>b. banked overtime;</li> <li>c. severance entitlements arising post-Closing for such employees; and</li> </ul> </li> <li>v. liabilities owing to DLA Piper related to the Hotel Arbitration.</li> </ul>		<ul style="list-style-type: none"> <li>v. any liability in respect of Ecoasis Developments LLP's ownership of 50% of Bear Mountain Legacy Homes Ltd. and Bear Mountain Legacy Homes LLP.</li> </ul> <p>A Claim Fund in the amount of \$5.0 million will be used to pay Creditor Claims in full (i.e. unsecured creditor claims from trade creditors and suppliers)</p>
<b>Post-Closing Distributions</b>	<ul style="list-style-type: none"> <li>i. Approximately \$88.2 million of creditor claims may be paid to secured and unsecured creditors at or after closing (upon satisfaction of a claims process for other unsecured creditors);</li> <li>ii. \$7.5 million to be distributed to Sanovest, holder of Class C Units in Developments;</li> <li>iii. \$7.5 million distributed to 599 (holder of Class B Units in Developments) in kind by way of the Share Consideration; and</li> <li>iv. Remaining distributions to Sanovest and 599 to be subject to further determination and consideration of tax issues.</li> </ul>	N/A	
<b>Closing Date</b>	On or before December 31, 2025		No later than December 31, 2025
<b>Outside Date</b>	11:59 p.m. (Vancouver time) on December 31, 2025		

## **5.0 RECEIVER'S COMMENTS ON THE SECOND SANOVEST BID AND GROUNDPLAY BID**

- 5.1 As outlined in the Eighth Report and noted above, the Receiver received the Second Sanovest Bid after the Final Bid Deadline. Following receipt of the Second Sanovest Bid, the Receiver, and its legal counsel, engaged in a series of meetings and discussions (i) with Sanovest's legal counsel to clarify certain aspects of the Second Sanovest Bid and to solicit feedback regarding the Groundplay Bid; and (ii) with 599's/Groundplay's legal counsel to obtain feedback on the Second Sanovest Bid and certain aspects of the Groundplay Bid.
- 5.2 In an effort to provide this Honourable Court with information as expeditiously as possible regarding the Second Sanovest Bid and other recent developments, the Receiver is providing herein its initial views. Based on its preliminary review and the feedback received from both Groundplay's and Sanovest's legal counsel, the Receiver has identified several issues with the respective bids. These issues are discussed in detail below.

### **SISP Process**

- 5.3 Following the Receiver's determination that the Groundplay Bid represented the superior Final Bid received by the Final Bid Deadline and prior to the Receiver finalizing its application materials, Sanovest was provided with a copy of the Groundplay Bid. Considering Sanovest's various interests in Ecoasis as a lender, interim lender and partner, the Receiver considered this disclosure as appropriate. 599's counsel was notified in advance of such disclosure.
- 5.4 The timing and circumstances of the Second Sanovest Bid raises concerns regarding adherence to the SISP's established timelines and procedures, which were designed to ensure a fair and transparent process for all participants. By submitting a revised bid after the Final Bid Deadline and with the benefit of knowledge of the terms of the Groundplay Bid, Sanovest was afforded an opportunity not available to Groundplay.

### **Comparison of the First Sanovest Bid and the Second Sanovest Bid**

- 5.5 One of the key distinctions between the First Sanovest Bid and the Second Sanovest Bid is that the latter excludes certain conditions that were present in the First Sanovest Bid. Under the First Sanovest Bid, payment of equity proceeds to 599 is subject to the resolution of various litigation matters and other adjustments which introduces significant complexity and uncertainty regarding the ultimate timing and amount of proceeds paid to 599. In contrast, the Second Sanovest Bid

eliminates these conditions, simplifying the transaction structure and resulting in a more expedited payment to 599.

5.6 The Second Sanovest bid provides a higher distribution to 599 of \$8.0 million (as opposed to \$7.5 million subject to potential negative adjustments in the First Sanovest Bid) due to the higher notional value of the bid as discussed further below. Sanovest has confirmed that it would support immediate payment of \$8.0 million to 599 after closing if its Second Sanovest Bid was approved.

#### **Bid Structure Comparison**

5.7 The bids submitted by Sanovest and Groundplay differ significantly in structure, complicating direct comparison and final evaluation. The Second Sanovest Bid is structured as an equity buyout of 599's interest with minimal cash consideration, focusing on the assumption of liabilities (both accrued and contingent) and payout of certain liabilities. In contrast, the Groundplay Bid is an asset purchase agreement, primarily consisting of cash consideration totaling approximately \$132.5 million, which provides immediate liquidity to the estate and ensures the satisfaction of all creditor claims.

5.8 The Second Sanovest Bid assumes certain 'contingent liabilities' including:

- a) \$16.7 million of Sanovest and 599 tax priority distributions that appear to be calculated based on a notional purchase price of \$157.8 million but will not be incurred until a transaction(s) with respect to Ecoasis' assets is concluded (which may not occur for many years) for which actual tax liabilities may differ; and
- b) \$3.2 million related to the HSBC Trust Company (Canada) ("HSBC") secured royalty arrangement all or some of which may not be incurred prior to the expiration of the HSBC participation agreement (the "Participation Agreement") in 2028 depending on when actual real property transactions are completed.

5.9 These assumed contingent liabilities may be relevant to calculating a notional bid price of \$157.8 million in the Second Sanovest Bid and appear to be a significant concern for 599. However, as noted below, the value of these contingent liabilities may not be critical when considering that the Second Sanovest Bid is designed to provide an \$8.0 million buyout to 599 for its equity position at an inferred transaction value of \$157.8 million.

5.10 The Receiver understands that it is the view of Sanovest that the issue of whether certain liabilities of Ecoasis may or may not be contingent is irrelevant to the Second Sanovest Bid as the operative analysis as between the two partners is the comparison of the cash received by 599 under the Second Sanovest Bid (or a similarly priced cash bid) as compared to the Groundplay Bid.

### **Purchase Price and Cash Component**

5.11 While the Second Sanovest Bid indicates a higher ‘purchase price’ of \$157.8 million compared to the First Sanovest Bid (\$135.0 million), the cash consideration remains limited to: (i) \$5 million allocated to a Claim Fund for unsecured claims, and (ii) a maximum of \$8 million payable to 599 as an equity partner.

5.12 The Groundplay Bid primarily consists of cash consideration totaling \$132.5 million.

### **Treatment of Creditors**

5.13 The Claim Fund in the Second Sanovest Bid totaling \$5 million is intended to satisfy creditor claims on closing, with any excess returned to Sanovest. However, the Second Sanovest Bid lacks a mechanism to increase the fund if claims exceed \$5 million.

5.14 The Claim Fund is not intended to be used to pay the following:

- the Sanovest Debt (as defined in the Second Sanovest Bid);
- amounts owing to HSBC in respect of the Participation Agreement;
- the City of Langford lawsuit/claim;
- the Receiver’s borrowings to the extent funded by Sanovest;
- amounts owing to Mr. Tomosun Kusumoto; and
- any liability in respect of Developments’ ownership of 50% of BMLH.

### **Distribution of Proceeds, Tax Treatment and Compliance with the Partnership Agreement**

5.15 The distribution of proceeds to the partners is governed by the terms of a limited liability partnership agreement between 599, Sanovest and Ecoasis Bear Mountain Developments Ltd. dated September 24, 2013 (the “**Partnership Agreement**”). A copy of the Partnership Agreement is attached hereto as **Appendix “B”**.

5.16 Two critical factors in evaluating the Second Sanovest Bid and the Groundplay Bid vis a vis 599 and Sanovest are the equity waterfall distribution and the treatment of taxes under the Partnership Agreement. The equity waterfall, as outlined in Section 11.1 of the Partnership Agreement, prioritizes distributions as follows: (i) \$15 million is distributed pro rata to Class B (599) and Class C (Sanovest) Unit holders, (ii) \$30 million is allocated exclusively to Class C Unit holders (Sanovest), and (iii) any remaining distributable cash is split pro rata between Class B and Class C Unit holders (the “**Equity Waterfall**”).

5.17 Additionally, Section 11.3 of the Partnership Agreement specifies that taxes arising from the allocation of Tax Income (as defined in the Partnership Agreement) must be satisfied before any

other distributions are made. This provision ensures that partners are not burdened with tax liabilities without corresponding distributions. Tax allocations are similarly governed by the Partnership Agreement.

5.18 To illustrate the impact of the Equity Waterfall and Section 11.3 of the Partnership Agreement on bid evaluation, the Receiver has prepared a preliminary comparison of the Second Sanovest Bid and the Groundplay Bid in the table below. These numbers are for illustrative purposes only and are subject to adjustment.

Ecoasis Developments LLP et al. Phase 2 Bid Analysis November 28, 2025				
	Second Sanovest Bid	Second Sanovest Bid Receiver	Groundplay Bid Receiver	Notes
<b>Sale price</b>	\$ 157,859,232	\$ 157,859,232	\$ 140,000,000	
<b>Secured debt</b>				
Sanovest Loan as at December 31, 2025	71,636,266	65,501,232	65,501,232	1
Sanovest costs (subject to Court approval)	1,500,000	1,500,000	1,500,000	
Receiver's Borrowings with interest as at December 31, 2025	8,600,000	8,703,905	8,703,905	
<b>Total secured debt</b>	<b>81,736,266</b>	<b>75,705,137</b>	<b>75,705,137</b>	
<b>Unsecured liabilities</b>				
Development payables	586,803	530,807	530,807	
Resorts payables	2,650,000	669,871	669,871	
Resorts statutory payables	-	2,122,793	942,848	2
City of Langford	2,094,502	1,856,843	1,856,843	
Prepaid 2026 Golf and Tennis dues	58,216	56,000	-	2
Due to Tom Kusumoto	3,500,000	3,332,883	3,332,883	
Sanovest Loan as at December 31, 2025 re: TK	-	4,992,564	4,992,564	
Broker fees	789,296	473,578	420,000	
<b>Total unsecured liabilities</b>	<b>9,678,817</b>	<b>14,035,338</b>	<b>12,745,816</b>	
<b>Other liabilities</b>				
HSBC Participation (2%)	3,157,185	3,157,185	2,800,000	
HSBC Participation (2%) accrual	600,000	518,069	518,069	
<b>Total other liabilities</b>	<b>3,757,185</b>	<b>3,675,254</b>	<b>3,318,069</b>	
<b>Total secured and unsecured liabilities</b>	<b>95,172,268</b>	<b>93,415,729</b>	<b>91,769,022</b>	
<b>Net Available to Equity</b>	<b>\$ 62,686,964</b>	<b>\$ 64,443,503</b>	<b>\$ 48,230,978</b>	
<b>Taxes</b>				
Sanovest tax priority	12,393,483	12,393,483	TBD	
599 tax priority	4,293,483	4,293,483	TBD	
<b>Total distribution</b>	<b>\$ 16,686,966</b>	<b>\$ 16,686,966</b>	<b>\$ 16,686,966</b>	3
<b>Total funds available on distribution</b>	<b>\$ 45,999,998</b>	<b>\$ 47,756,537</b>	<b>\$ 31,544,012</b>	
<b>Sanovest initial entitlement on liquidation</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	
<b>599 initial entitlement on liquidation</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	
<b>Sanovest priority entitlement on liquidation (up to \$30mm)</b>	<b>30,000,000</b>	<b>30,000,000</b>	<b>16,544,012</b>	
<b>Sanovest pari passu entitlement</b>	<b>500,000</b>	<b>1,378,269</b>	<b>-</b>	
<b>599 pari passu entitlement</b>	<b>500,000</b>	<b>1,378,269</b>	<b>-</b>	
<b>Sanovest priority entitlement on liquidation remaining</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,455,988</b>	
<b>Notes:</b>				
1. The Receiver appears to have found an error in the calculation of the amount of secured Sanovest debt. Herein, the Receiver estimates Secured Sanovest Loan at corrected amount (subject to further Court order).				
2. 599 is assuming DLA Piper accounts payable of approximately \$1.2 million, and prepaid member dues.				
3. Income tax distributions to partners are not determined and will be based on finalization of Ecoasis financial statements and subject to comments from shareholders. As an estimate for possible tax deductions under the 599 Final Bid, \$16.7 million has been used for illustrative purposes to enable equity waterfall calculations.				

5.19 The Second Sanovest Bid does not provide for adjustments to account for changes in liabilities and instead sets the maximum distribution to 599 at \$8 million. In the table above the Receiver has recalculated the Equity Waterfall under the Second Sanovest Bid utilizing estimates prepared by the Receiver which indicates that 599 may receive up to \$8.9 million (\$7.5 million initial entitlement plus \$1.4 million under the ‘third’ tranche of the Equity Waterfall). However, this difference is not necessarily relevant in considering Sanovest’s position that the Second Sanovest Bid is constructed to achieve an outcome (\$8.0 million for 599) that would not change irrespective of a change in liabilities or the ultimate estimates calculated for notional tax distributions.

5.20 While perhaps secondary to the operation of the Second Sanovest Bid, it appears that Sanovest has overstated the current and potential amounts due to Sanovest in the Sanovest Calculation by approximately \$1.5 million due to double counting claimed legal fees. However, the actual amount of legal fees to be claimed is not yet known and will depend on future events.

5.21 Pursuant to the Groundplay Bid, Sanovest may receive approximately \$24.0 million (\$7.5 million from the first equity tranche plus \$16.5 million for Sanovest’s preferred second equity tranche) subject to calculation of actual tax distributions which will require finalization of financial statements and final payouts to the partners. Calculation of estimated tax distributions is challenging for several reasons including: (i) the financial statements of the partnership have not been finalized or agreed upon since 2018; and (ii) the cost base may be unclear due to disputes over the financials.

5.22 As indicated above, the Second Sanovest Bid assumes that contingent tax distributions are absorbed by Sanovest in arriving at a net payment of \$8 million to 599. However, the bid does not provide for a distribution for taxes to 599 in addition to the \$8 million payment. This approach appears to be inconsistent with Section 11.3 of the Partnership Agreement, which would appear to require that taxes arising from the allocation of Tax Income be satisfied before any other distributions are made. Under a \$157.8 million cash bid, 599 should receive cash distributions to cover taxes. Partners could benefit from applying their own corporate tax attributes against Tax Income, potentially enhancing the overall value of the transaction to a partner.

5.23 Admittedly, tax distributions under the Second Sanovest Bid are notional, and the timing of their payment is unknown. This contingent liability could be significantly reduced if deferred.

5.24 The Groundplay Bid assumes that 599 is eligible for a net equity distribution of \$7.5 million, which forms part of the bid consideration under a value in kind transaction. However, pursuant to a response (the “**Response**”) filed by Mr. Daniel Matthews (principal of 599) to an Amended Notice

of Civil Claim filed by Sanovest on March 20, 2023, Mr. Matthews appears to have acknowledged that advances were taken by Mr. Matthews from the Ecoasis business (the “**Advances**”). This matter was raised before the Court on November 26, 2025. The Response further notes that the Advances would not bear interest and would be payable from eventual distributions from the sale of Partnership assets. Accordingly, the in-kind payment of \$7.5 million (which represents a distribution to 599 pursuant to a sale transaction) contemplated in the Groundplay Bid could be subject to set-off by the Advances. Currently, the Groundplay Bid does not contemplate a mechanism to address the Advances or any counter arguments as to why the Advances should not be deducted from an equity distribution.

#### **Potential Deemed Dissolution of the Partnership**

- 5.25 Until two days ago, all parties had been proceeding on the premise that distributions on account of “equity” to the partners were determined pursuant to section 11.3 of the Partnership Agreement.
- 5.26 On November 26, 2025, the Receiver was informed by counsel to Groundplay that:
  - a) the deemed dissolution of the Partnership pursuant to Section 15.3 of the Partnership Agreement may be operative;
  - b) section 15.3 states that the Managing Partner is deemed to resign 30 days after the appointment of a receiver;
  - c) if no new Managing Partner is appointed or the remaining Partners do not resolve to continue the Partnership, section 16.2 provides that the Partnership is deemed dissolved; and
  - d) upon dissolution, the distribution of assets is to be governed by Section 16.7, which prioritizes the repayment of partner loans and capital accounts before any distributions under the Equity Waterfall.
- 5.27 The Receiver advised counsel to Sanovest of this development and understands the parties may have differing views on this issue.
- 5.28 Application of the dissolution provisions of the Partnership Agreement could impact the distribution framework and consideration of the bids.

#### **6.0 POSSIBLE NEXT STEPS**

- 6.1 As discussed above, there are several issues with the Groundplay Bid and the Second Sanovest Bid that make them difficult to compare. These include differences in structure, asset inclusions/exclusions, timing, and the treatment of taxes and distributions under the Partnership Agreement and matters are further complicated by recent developments. Accordingly, as a potential

path forward, the Receiver has identified several points that could assist in standardizing certain portions of the bids to enhance comparability, including:

- a) considering only bids that are submitted for the same groups of assets. This would likely require two separate bids from Sanovest for: (i) the real property and operating assets of Ecoasis (i.e. the assets in the Groundplay Bid), and (ii) the litigation and intercompany accounts receivable. Cash would generally need to be excluded from Sanovest's bid as it would be required by the Receiver to complete its administration;
- b) standardizing the timing of payments under both bids to ensure comparability and alignment with the Partnership Agreement, which should also include a structure or process to resolve any issues that could impact settling the financial statements and consequent tax distributions;
- c) introducing a mechanism in Sanovest's bid for additional funds to be advanced to fund all 3<sup>rd</sup> party creditor claims and for a cash payout to 599 including tax distributions under an all-cash bid for \$157.8 million in accordance with Section 11.3 of the Partnership Agreement;
- d) considering whether the Second Sanovest Bid should discount contingent liabilities, such as the HSBC participation amount and income tax distributions, both of which may be deferred with planning initiated by Sanovest; and
- e) introducing a mechanism in 599's bid to account for the Advances and related impact to its bid.

- 6.2 While the Receiver has identified several terms that would assist in standardizing further bids from Groundplay and Sanovest, implementing these changes will likely present significant disagreement and challenges amongst the parties. The current differences in bid structure, timing of payments, tax treatment and other distribution matters under the Partnership Agreement are substantial and may not be resolved by the partners without a defined Court supervised process.
- 6.3 Notwithstanding the challenges noted above in respect of bid comparisons, a standardized bid process may provide the best opportunity for both parties to put forth final bids, within set parameters, that can be evaluated on terms that more closely align.
- 6.4 Alternatively, and recognizing that the Groundplay Bid and the Second Sanovest Bid generally clear known liabilities, an alternative to a final bid process could be a quasi-negotiated resolution process conducted under Receiver supervision where the partners are focused on equity buyout bids as opposed to challenging various aspects of each other's bids.

## **7.0 RECEIVER'S CONCLUSION AND RECOMMENDATIONS**

7.1 As previously noted, Sanovest submitted the Second Sanovest Bid after the Final Bid Deadline, with the benefit of reviewing the terms of the Groundplay Bid. This permitted Sanovest to address certain deficiencies in its initial submission. Should this Honourable Court conclude that the Second Sanovest Bid should be considered as part of the SISP process, Groundplay should be afforded an opportunity to revise its bid to address certain matters addressed herein and that may be raised by Sanovest.

7.2 While Groundplay will undoubtedly protest vigorously against the Second Sanovest Bid being considered a Final Bid or to any secondary bid process, the Receiver notes that the SISP is the culmination of many years of dispute between the partners and advancing a secondary process, while unsatisfactory to one party, would appear reasonable based on the current circumstances.

\*\*\*\*\*

All of which is respectfully submitted to this Honourable Court this 28<sup>th</sup> day of November 2025

**Alvarez & Marsal Canada Inc.,**  
in its capacity as Receiver of Ecoasis  
and not in its personal capacity



Per: Anthony Tillman  
Senior Vice President

**Appendix A**  
**Sanovest Holdings Ltd. Revised Bid**

**PURCHASE AGREEMENT**

This purchase agreement is entered into as of November 21, 2025

**BETWEEN:**

**ALVAREZ & MARSAL CANADA INC.** ("A&M" or the "Receiver"), in its capacity as Court appointed receiver of certain lands of Bear Mountain Adventures Ltd. / of the property and all of the operations and business of Ecoasis Resort and Golf LLP / and all the assets, undertakings and property of Ecoasis Developments LLP / Ecoasis Bear Mountain Developments Ltd. / 0884185 B.C. Ltd. / 0884188 B.C. Ltd. / 0884190 B.C. Ltd., 0884194 B.C. Ltd. / BM 81/82 Lands Ltd. / BM 83 Lands Ltd. / BM 84 Lands Ltd. / BM Capella Lands Ltd. / BM Highlands Golf Course Ltd. / BM Highlands Lands Ltd. / and BM Mountain Golf Course Ltd. (collectively the "**Debtors**"), and not in its personal or corporate capacity

- and -

**SANOVEST HOLDINGS LTD.**, a company incorporated under the Canada Business Corporations Act, as purchaser (the "**Purchaser**" or "**Sanovest**")

**WHEREAS:**

A. Pursuant to the Order of the Supreme Court of British Columbia (the "**Court**") issued September 18, 2024 (the "**Receivership Order**"), the Receiver was appointed as receiver of:

- a. certain lands (the "**BMA Lands**") owned by Bear Mountain Adventures Ltd. ("**BMA**");
- b. any interests in real property owned by Ecoasis Resort and Golf LLP ("**Resorts**"); and
- c. all of the assets, undertakings and property of Ecoasis Developments LLP ("**EDL**"), Ecoasis Bear Mountain Developments Ltd. ("**EBMD**") and 0884185 B.C. Ltd., 0884188 B.C. Ltd., 0884190 B.C. Ltd., 0884194 B.C. Ltd., BM 81/82 Lands Ltd., BM 83 Lands Ltd., BM 84 Lands Ltd., BM Capella Lands Ltd., BM Highlands Golf Course Ltd., BM Highlands Lands Ltd. and BM Mountain Golf Course Ltd. (collectively, the "**NomineeCos**").

B. On July 10, 2025, the Court granted an Order amending the Receivership Order (the "**Receivership Expansion Order**") to appoint the Receiver as the receiver and manager of the property and all of the operations and business of Resorts.

C. Pursuant to the SISP Order of the Court issued July 15, 2025 (the "**SISP Order**"), the sale process attached hereto as **Schedule B** (the "**Sale Process**") was approved by the Court.

D. The Purchaser and 599 (as defined below) are currently each the owner of (i) approximately 49.75% of the issued and outstanding partnership units of EDL (with EBMD holding

approximately 0.5% as the general partner) and (ii) 50% of the issued and outstanding shares of EBMD. The Purchaser is also a secured lender to EDL and other Debtors and wishes to propose its indirect acquisition of ownership of 100% of the Purchased Assets (as defined below) by way of a purchase transaction (including a vesting order with respect to the BMA Lands) pursuant to which the Purchaser will become the owner of 100% of the issued and outstanding partnership units of EDL and 100% of the issued and outstanding shares of EBMD, all subject to the other terms and conditions set forth below.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

**“599”** means 599315 B.C. Ltd.

**“Affiliate”** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

**“Agreement”** means this purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof.

**“Applicable Law”** means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

**“Approval and Vesting Order”** means an order by the Court, in form and substance satisfactory to the Purchaser and the Receiver, acting reasonably, which, among other things: (i) approves and authorizes this Agreement and the Transaction, (ii) transfers and assigns all right and title to the BMA Lands from BMA to EDL free and clear of all Encumbrances except the Permitted Encumbrances, (iii) effects the cancellation of 599’s partnership units in EDL and 599’s shares in EBMD, upon which Sanovest will be the sole owner of all of the issued and outstanding partnership units of EDL and all of the issued and outstanding shares of EBMD, (iv) effective on completion of the Transaction, confirms that title to EDL’s, EBMD’s and the NomineeCos’ Receivership Property remains with such

entities, free and clear of all Encumbrances except the Permitted Encumbrances, and (iv) terminates the Receivership Proceedings in relation to all of the Debtors.

**“Authorization”** means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

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

**“BMA”** has the meaning set out in the recitals hereto.

**“Books and Records”** means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records used or intended for use by, or in the possession of the Debtors relating to the Purchased Assets.

**“Business”** means the business carried on by Resorts at or on the Real Property as of the date of the Receivership Expansion Order.

**“Business Day”** means a day on which banks are open for business in the Province of British Columbia, but does not include a Saturday, Sunday or statutory holiday in the Province of British Columbia.

**“Chattels”** means all equipment, inventory, supplies, chattels and other items of personal property owned by the Debtors and used in connection with the Business and/or the operation and maintenance of the Real Property.

**“Claim Fund”** means \$5,000,000, or such other amount as may be required to pay the Creditor Claims in full on Closing, including as may be negotiated or otherwise agreed between the Purchaser and the applicable Creditor.

**“Closing”** means the closing and consummation of the Transaction.

**“Closing Date”** means a Business Day no later than December 31, 2025.

**“Closing Effective Time”** means 12:01 a.m. (Vancouver time) on the Closing Date, or such other time as the Parties may agree to in writing.

**“Contracts”** means any written legally binding contract, agreement, instrument, commitment or undertaking of any nature (including leases (including with respect to any equipment), subleases, licenses, mortgages, notes, guarantees, sublicenses, subcontracts, letters of intent and purchase orders), including all modifications, amendments, supplements, extensions, renewals, exhibits, and schedules thereto to which any Debtor is a party.

**“Court”** has the meaning set out in the recitals hereto.

**“Creditor”** means the holder a Creditor Claim.

**"Creditor Claims"** means the amounts required, as of the Closing Date, to satisfy the amounts owing in respect of claims owing by EDL, EBMD or Resorts that are not Retained Liabilities, in the amounts determined by the Receiver or the Court, and which amounts include:

- (a) the sales broker's fee payable to Colliers Macaulay Nicolls Inc. in respect of this Agreement pursuant to that certain Exclusive Sale Listing Agreement dated July 8, 2025 between the Receiver, Colliers, as brokerage, and the Designated Agents (as defined in such Agreement);
- (b) the Receiver's Charge pursuant to the Receivership Order;
- (c) amounts owing by EDL, EBMD and Resorts to unsecured creditors, including trade creditors and suppliers; and
- (d) amounts owing by EDL, EBMD and Resorts to secured creditors with registered PMSI security interests or registrations by serial number in serial numbered goods (pursuant to the BC Personal Property Security Act).

**"Debtors"** has the meaning set out in the preamble hereto.

**"Deposit"** means the aggregate amount of \$5,000,000, consisting of the First Deposit and Second Deposit, to be paid by the Purchaser to the Receiver pursuant to Sections 3.1(a) and 3.1(b).

**"EBMD"** has the meaning set out in the recitals hereto.

**"EDL"** has the meaning set out in the recitals hereto.

**"EDL Partnership Agreement"** means the Limited Liability Partnership Agreement dated September 24, 2013 among 599, Sanovest and EBMD relating to EDL.

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

- (a) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (British Columbia) or any other personal property registry system;
- (b) the Receiver's Charge and Receiver's Borrowings Charge; and
- (c) any agreement, lease, license, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to the Purchased Assets or any part thereof or interest therein.

**"Excise Tax Act"** means the *Excise Tax Act* (Canada).

**"Excluded Litigation"** means the interest of the Debtors in any litigation claims involving the Debtors, including:

- (a) BCSC Action No. S-223937 (Sanovest Holdings Ltd. v. Daniel Matthews, Tomosun Kusumoto, Ecoasis Bear Mountain Developments Ltd. and BM Mountain Gold Course Ltd.);
- (b) BCSC Action No. S-234047 (Ecoasis Developments LLP, Ecoasis Resort and Golf LLP, 599315 B.C. Ltd. v. Sanovest Holdings Ltd., Tian Kusumoto, TRK Investments Corporation, and Ecoasis Bear Mountain Developments Ltd.; and
- (c) BCSC Action No. S-234048 (599315 B.C. Ltd. and Daniel Matthews v. Ecoasis Bear Mountain Developments Ltd., Ecoasis Development LLP, Ecoasis Resort and Golf LLP, Tian Kusumoto, and Sanovest Holdings Ltd.).

**"First Deposit"** means the amount of \$375,000 paid by the Purchaser to the Receiver prior to the date hereof as the first instalment of the Deposit.

**"Governmental Authority"** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

**"GST/HST"** means all goods and services tax imposed under Part IX of the *Excise Tax Act*.

**"Income Tax Act"** means the *Income Tax Act* (Canada).

**"Interim Period"** means the period from and after the date of this Agreement to and including the Closing Date.

**"Liability"** or **"Liabilities"** means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

**"Material Loss"** means loss or damage to, or destruction of, the Real Property or any part of it to such an extent that the replacement or repair of it cannot be substantially completed at a cost of less than \$6.75 million.

**"NomineeCos"** has the meaning set out in the recitals hereto.

**"Organizational Documents"** means any certificate or articles of incorporation or amalgamation, notice of articles, articles, bylaws, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

**“Outside Date”** means 11:59 pm (Vancouver time) on December 31, 2025, or such later date and time as the Receiver and the Purchaser may agree to in writing.

**“Parties”** means the Receiver and the Purchaser.

**“Permitted Encumbrances”** means the encumbrances listed on **Schedule C** attached hereto.

**“Permits and Licenses”** means the licenses, approvals, permits, consents or other rights entered into or obtained by the Debtors from any Governmental Authority and used in connection with the Purchased Assets or the Business, in each case that are in effect on the Closing Date.

**“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

**“PST”** means provincial sales tax.

**“Purchase Price”** has the meaning set out in Section 2.1(a).

**“Purchased Assets”** means all of the Receivership Property, including:

- (a) all real property legally or beneficially owned, leased, or otherwise held by the Debtors including the Real Property;
- (b) all Chattels located on the Real Property;
- (c) all of the operations and business of Resorts;
- (d) all Permits and Licences;
- (e) all Contracts;
- (f) all Books and Records;
- (g) all cash, inventory and prepaid expenses and receivables;
- (h) all goodwill;
- (i) all other or additional assets (including trademarks and other intellectual property), properties, privileges, goodwill, rights and interests of the Debtors relating to the Business, the Retained Liabilities or any of the Purchased Assets of every kind and description and wherever located, whether known or unknown, fixed or unfixed, accrued, absolute, contingent or otherwise, and whether or not specifically referred to in this Agreement, including but not limited to:
  - (i) EDL's 50% interest in Bear Mountain Legacy Homes LLP, which beneficially owns a remaining interest in Cypress Gates; and

- (ii) the right, title, interest and benefit in and of the following litigation:
  - (A) Arbitration proceedings between Resorts and Bear Mountain Resort & Spa Ltd., BM Management Holdings Ltd. and BM Resort Assets Ltd., commenced pursuant to an Asset Purchase Agreement, Commercial Lease and the Hotel, Golf Course and Tennis Agreement between Resorts, 1210110 BC Ltd. and 2600 Viking Way Limited dated July 11, 2019; and
  - (B) the Excluded Litigation.

**Purchaser** has the meaning set out in the preamble hereto.

**Purchaser Authorized Parties** has the meaning set out in Section 11.3.

**Purchaser's Solicitors** means Fasken Martineau DuMoulin LLP.

**Real Property** means the lands identified on **Schedule A** and all buildings, structures and improvements thereon.

**Receiver** has the meaning set out in the preamble hereto.

**Receiver's Charge** has the meaning set out in the Receivership Order.

**Receiver's Borrowings Charge** has the meaning set out in the Receivership Order.

**Receiver's Solicitors** means Blake, Cassels & Graydon LLP.

**Receivership Expansion Order** has the meaning set out in the preamble hereto.

**Receivership Order** has the meaning set out in the preamble hereto.

**Receivership Property** means the Property as defined in the Receivership Order, together with any other property that has become or becomes subject to the receivership pursuant to an order of the Court, including pursuant to the Receivership Expansion Order.

**Receivership Proceedings** means the receivership proceedings in Supreme Court of British Columbia Action No. S-243389.

**Resorts** has the meaning set out in the recitals hereto.

**Retained Liabilities** means the following liabilities of EDL, EBMD and Resorts:

- (a) the Sanovest Debt;
- (b) amounts owing to HSBC Trust Company (Canada) under Charge No. CA339750 and registered against certain real property assets being acquired;
- (c) the City of Langford lawsuit/loan;
- (d) the Receiver's borrowing pursuant to the Receivership Order to the extent funded by the Purchaser;

- (e) any liabilities owed by EDL, EBMD and Resorts to Tomosun Kusumoto; and
- (f) any liability in respect of EDL's ownership of 50% of Bear Mountain Legacy Homes Ltd. and Bear Mountain Legacy Homes LLP;

**"Sale Process"** has the meaning set out in the recitals hereto.

**"Sanovest Debt"** means all amounts owing to Sanovest by the Debtors, howsoever arising, including pursuant to the Sanovest Loan Agreement, including all interest, expenses and all other amounts payable thereunder.

**"Sanovest Loan Agreement"** means the Commitment Letter dated October 8, 2013 among Sanovest, Ecoasis Developments LLP (the "Borrower") , and 0884185 B.C. 0884188 B.C. Ltd., 0884190 B.C. Ltd., 0884194 B.C. Ltd., BM 81/82 Lands Ltd., BM 83 Lands Ltd., BM 84 Lands Ltd., BM Capella Lands Ltd., BM Clubhouse 40 Ltd., BM Highlander Development Ltd., BM Highlands Golf Course Ltd., BM Highlands Lands Ltd., BM Mountain Golf Couse Ltd. and BM Resort Assets Ltd (the "Original Guarantors"), as amended by the amending agreements dated June 15, 2016 among the Lender, Borrower and the Original Guarantors and dated January 26, 2022 among the Lender, Borrower 0884185 B.C. 0884188 B.C. Ltd., 0884190 B.C. Ltd., 0884194 B.C. Ltd., BM 81/82 Lands Ltd., BM 83 Lands Ltd., BM 84 Lands Ltd., BM Capella Lands Ltd., BM Highlands Golf Course Ltd., BM Highlands Lands Ltd and BM Mountain Golf Couse Ltd.

**"Second Deposit"** means the amount of \$4,625,000 to paid by the Purchaser to the Receiver pursuant to Section 3.1(b) as the second instalment of the Deposit.

**"Share/Unit Price"** has the meaning set out in Section 2.1(a).

**"SISP Order"** has the meaning set out in the recitals hereto.

**"Taxes"** means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties.

**"Transaction"** means the transactions contemplated by this Agreement, including the payment of the Purchase Price, cancellation of the EDL partnership units and EBMD shares held by 599 and transfer and vesting of the BMA Lands in EDL, pursuant to which the Purchaser will indirectly acquire 100% ownership of the outstanding partnership units of EDL and shares of EBMD and ownership of the Purchased Assets.

**"Transfer Taxes"** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed

by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST/HST.

#### **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

#### **1.3 General Construction**

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section", "Article" or reference to another subdivision followed by a number mean and refer to the specified Section, Article or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

#### **1.4 Extended Meanings**

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other Person other than the Receiver, the Debtors, or the Purchaser, or any Affiliates thereof.

#### **1.5 Currency**

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian dollars, unless otherwise specifically indicated.

#### **1.6 Statutes**

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

#### **1.7 Schedules & Amendments to Schedules**

The following schedules are attached hereto and incorporated in and form part of this Agreement:

##### **SCHEDULES**

**Schedule A** - Real Property

**Schedule B** - SISP Order and Sale Process

**Schedule C** - Permitted Encumbrances

Unless the context otherwise requires, words and expressions defined in this Agreement shall have the same meanings in the Schedules and the interpretation provisions set out in this Agreement shall apply to the Schedules. Unless the context otherwise requires, or a contrary

intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

## **ARTICLE 2** **PURCHASE TRANSACTIONS**

### **2.1 Purchase Transactions**

At the Closing, subject to the terms and conditions set forth in this Agreement, the Receiver and the Purchaser shall cause the following transactions to be completed in accordance with the Closing Sequence and the Approval and Vesting Order:

- (a) the Purchaser shall pay to the Receiver in accordance with Section 3.1, \$8,000,000 (the "**Share/Unit Price**" and together with the Claim Fund, the "**Purchase Price**"), which amount will be paid to 599 by the Receiver pursuant to Section 2.1(d) in respect of the cancellation of 599's shares in EBMD and its partnership units in EDL;
- (b) the Purchaser shall pay to the Receiver the Claim Fund in accordance with Section 3.1, which funds will be used by the Receiver to pay the Creditor Claims, except to the extent that such Creditor and the Purchaser may otherwise agree in writing;
- (c) the BMA Lands shall be transferred from BMA to EDL and the same shall be vested in EDL, free and clear of all Encumbrances except the Permitted Encumbrances, pursuant to the Approval and Vesting Order; and
- (d) 599's shares in EBMD and 599's partnership units in EDL will be cancelled at Closing in consideration of the Receiver's agreement to pay to 599 the Share/Unit Price on Closing.

### **2.2 Material Loss Damage**

If there is any Material Loss prior to the Closing, the insurance proceeds and the right to receive the proceeds of all insurance will be assigned by the Receiver to the Purchaser on the Closing Date and the Purchase Price shall be reduced by the amount of any insurance deductible that has not been paid by the Receiver.

The Receiver will promptly notify the Purchaser if it becomes aware of any Material Loss. For clarity, any damage or loss to the Real Property or any part thereof which is not Material Loss shall only entitle the Purchaser to the insurance proceeds, and the Purchaser shall not have the right to elect to terminate this Agreement for damage or loss which is not Material Loss.

## **ARTICLE 3** **PURCHASE PRICE**

### **3.1 Purchase Price**

The Purchase Price shall be inclusive of the Deposit. The Purchase Price shall be paid by the Purchaser as follows:

- (a) as to the amount of the First Deposit, by wire transfer of immediately available funds to the account designated by the Receiver, the receipt of which prior to the date hereof is acknowledged by the Receiver;
- (b) as to the amount of the Second Deposit, by wire transfer of immediately available funds to the account designated by the Receiver within two Business Days of the earlier of the Receiver's execution and delivery of this Agreement or the written request of the Receiver; and
- (c) as to the balance of the Purchase Price, on Closing by wire transfer of immediately available funds to an account designated by the Receiver.

### **3.2 Deposit and Satisfaction of Purchase Price**

- (a) The Parties acknowledge that:
  - (i) as of the date hereof, the Purchaser has paid the First Deposit to the Receiver;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Receiver or the Receiver's Solicitors in a non-interest-bearing account; and
  - (iii) the Deposit shall be held and administered by the Receiver in accordance with the terms and conditions of this Agreement (including this Section 3.2).
- (b) The Purchase Price shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Receiver shall apply the Deposit against the amount of the Purchase Price for the account of the Purchaser; and
  - (ii) as to the balance of the Purchase Price, the Purchaser shall pay such amount to the Receiver on the Closing Date by wire transfer of immediately available funds to one or more accounts designated in writing by the Receiver.
- (c) If this Agreement is terminated:
  - (i) pursuant to Section 10.1(a) by mutual agreement of the Parties; (B) pursuant to Section 10.1(b) or 10.1(c) by the Purchaser; (C) pursuant to Section 7.1(c) or 10.1(e) by the Receiver; or (D) for any other reason other than as contemplated under Section 3.2(c)(ii); then the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 10.1(d) by the Receiver, the full amount of the Deposit shall be forfeited by the Purchaser to the Receiver,

and, in the event of termination of this Agreement under Section 3.2(c)(ii) pursuant to which the Receiver shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre estimate of liquidated damages representing the Receiver's losses as a result of Closing not occurring and agree that the Receiver shall not be entitled to recover from

the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre estimate of the Receiver's damages.

### **3.3 Deposit**

In holding and dealing with the Deposit, the Receiver is not bound in any way by any agreement other than this Agreement, if and as accepted by the Receiver, and shall not be considered to have assumed any duty, liability or responsibility other than to hold the Deposit in accordance with the provisions hereof and to pay the Deposit in accordance with the terms hereof or any order of the Court. In the event of a dispute between the Parties as to the legal entitlement to the Deposit, the Receiver may, in its discretion, pay the Deposit into Court, whereupon the Receiver shall have no further obligations relating thereto. The Receiver shall not, under any circumstances, be required to verify or determine the validity of any notice or other document whatsoever delivered to the Receiver and the Receiver is hereby relieved of any liability or responsibility for any loss or damage which may arise as a result of the acceptance by the Receiver of any such notice or other document in good faith.

### **3.4 Taxes**

The Parties agree that:

- (a) The Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay any and all Transfer Taxes, if any, pertaining to the Purchaser's acquisition of the Purchased Assets.
- (b) Where the Receiver is required under Applicable Law to collect or pay Transfer Taxes, the Purchaser shall pay the amount of such Transfer Taxes to the Receiver on the Closing Date. The Receiver shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due.
- (c) The Purchaser represents that it is a GST/HST registrant for purposes of the *Excise Tax Act* and has been assigned the GST/HST account number 863632691 RT0001.
- (d) Except where the Receiver is required under Applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Receiver shall do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Receiver is required under Applicable Law to pay any such Transfer Taxes which are not paid by the Purchaser on the Closing Date, the Purchaser shall promptly reimburse the Receiver the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes.
- (e) The Purchaser shall indemnify the Receiver and the Debtors for, from and against any Transfer Taxes (including any interest or penalties imposed by a

Governmental Authority) that the Receiver or the Debtors may pay or for which the Receiver or the Debtors may become liable as a result of any failure by the Purchaser to report, pay, or remit such Transfer Taxes, and such indemnity shall survive and shall not merge upon the completion of the purchase and sale of the Purchased Assets contemplated herein.

## **ARTICLE 4** **REPRESENTATIONS AND WARRANTIES**

### **4.1 Representations and Warranties**

- (a) The Receiver hereby represents and warrants as of the date hereof and as of the Closing Date as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:
  - (i) Receivership Proceedings. The Receivership Order, the Receivership Extension Order, SISP Order, and Approval and Vesting Order remain in full force and effect.
  - (ii) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, the Receiver does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any Representations and Warranties of the Purchaser to enter into this Agreement.
- (b) The Purchaser hereby represents and warrants to and in favour of the Receiver as of the date hereof and as of the Closing Date, and acknowledges that the Receiver is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:
  - (i) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the Canada Business Corporation Act, is in good standing under its governing statute and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
  - (ii) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
  - (iii) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
  - (iv) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

- (v) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (vi) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, the Purchaser does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.
- (vii) Residency. The Purchaser is not a "non-resident" for purposes of the *Income Tax Act*.

#### **4.2 As is, Where is**

The representations and warranties of the Receiver pursuant to this Agreement shall merge on Closing and shall thereafter be of no further force and effect. Despite any other provision of this Agreement, the Purchaser expressly acknowledges that the Receiver: (i) is selling the Purchased Assets on an "as is, where is" basis; (ii) on Closing, the Purchaser is releasing the Receiver and the Debtors from any and all liabilities related to the Purchased Assets or the transaction contemplated by this Agreement. No representation, warranty or condition is express or can be implied as to description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets. Without limiting the generality of the foregoing any and all conditions, warranties or representations expressed or implied pursuant to applicable sale of goods legislation or other similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Agreement are for purpose of identification only and, no representation, warranty or condition has or shall be given by the Receiver or the Debtors concerning completeness or accuracy of such descriptions. No property disclosure statement concerning the Real Property forms part of or shall be deemed to form part of this Agreement.

### **ARTICLE 5 COVENANTS**

#### **5.1 Closing Date**

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

#### **5.2 Permits and Licenses**

On or before the Closing Date, the Parties shall cooperate and work together in good faith, assist with submissions, share information and make any other efforts required to obtain any approval, Authorization, third-party consent, or Permits and Licences from any Governmental Authority necessary to effect the Closing.

#### **5.3 Application for Approval and Vesting Order**

The Receiver shall take all reasonable steps to seek to obtain the Approval and Vesting Order within 30 days of the date of execution of this Agreement.

#### **5.4 Insurance Matters**

Until Closing, the Receiver shall use commercially reasonable efforts to keep in full force and effect all existing and applicable insurance policies of the Debtors related to the Real Property and the Business.

#### **5.5 Books and Records**

The Receiver will use commercially reasonable efforts to deliver the Books and Records that relate to the Purchased Assets and Business (to the extent in the possession and control of the Receiver) to the Purchaser following the Closing Date.

#### **5.6 Interim Period**

Throughout the Interim Period neither the Receiver nor the Debtors will enter into any Contract, or modify or terminate any of the Contracts, Permitted Encumbrances, Permits and Licenses or any mortgage or charge relating to the Real Property or that would form an Encumbrance on the Purchased Assets without the prior written consent of the Purchaser.

#### **5.7 Employees**

The Purchaser acknowledges that as of Closing the Debtors will continue to employ all employees of the Debtors on the same terms and conditions of employment as those upon which they were employed by such Debtors immediately prior to the Closing Date.

### **ARTICLE 6 CLOSING ARRANGEMENTS**

#### **6.1 Closing**

Closing shall take place on the Closing Date effective as of the Closing Effective Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

#### **6.2 Receiver's Closing Deliveries**

At or before the Closing, the Receiver shall deliver or cause to be delivered to the Purchaser or the Purchaser's Solicitors the following:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) the Purchased Assets;
- (c) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Receiver contained in this Agreement are true and correct in all respects as of the Closing Date, with the same effect as though made at and as of the Closing Date, and that the Receiver has performed in all material respects the covenants to be performed by it prior to the Closing Date;

- (d) the Books and Records that relate to the Purchased Assets and the Business (to the extent in the possession and control of the Receiver and the Debtors);
- (e) a letter from the Receiver's Solicitors authorizing the Purchaser's Solicitors to file the Approval and Vesting Order in the Victoria Land Title Office; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Purchaser, acting reasonably.

### 6.3 Purchaser's Closing Deliveries

At or before the Closing Date, the Purchaser shall deliver or cause to be delivered to the Receiver's Solicitors, the following:

- (a) payment of the balance of the Purchase Price pursuant to Section 3.1(c);
- (b) payment of all Transfer Taxes (if any) payable on Closing to the Receiver (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities) in accordance with Section 3.4;
- (c) a certificate of a director of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct in all respects as of the Closing Date, with the same effect as though made at and as of the Closing Date, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Date; and
- (d) such other agreements, documents and instruments as may be reasonably required by the Receiver to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

### 6.4 Closing Sequence

- (a) On the Closing Date, Closing shall take place in the following sequence in accordance with the Approval and Vesting Order (the "**Closing Sequence**"):
  - (i) first, the Purchaser shall pay or cause to be paid to the Receiver the balance of the Purchase Price pursuant to Section 3.1(c)
  - (ii) second, 599's shares in EBMD and 599's partnership units in EDL will be cancelled at Closing in consideration of the Receiver's agreement to pay to 599 the Share/Unit Price on Closing. Upon such cancellation, Sanovest will, at Closing, be the sole owner of all of the issued and outstanding partnership units of EDL (other than the units held by EBMD) and all of the issued and outstanding shares of EBMD;
  - (iii) third, the BMA Lands shall be transferred from BMA to EDL and the same shall be vested in EDL, free and clear of all Encumbrances except the Permitted Encumbrances, pursuant to the Approval and Vesting Order; and

- (iv) fourth, the Purchased Assets will be retained by the Debtors free and clear of all Encumbrances and claims, save and except Permitted Encumbrances and Retained Liabilities, and all Encumbrances other than Permitted Encumbrances shall be expunged as against the Purchased Assets; and
- (v) fifth, the Debtors shall cease to be a party to the Receivership Proceedings and the Debtors shall be deemed to be released from the purview of the Receivership Order and all other Orders of the Court granted these receivership proceedings, save and except for the Approval and Vesting Order the provisions of which (as they relate to the Debtors) shall continue to apply in all respects.

The Purchaser, with the prior consent of the Receiver, acting reasonably, may amend the Closing Sequence provided that such amendments to the Closing Sequence do not materially alter or impact the Transaction or the consideration which the Debtors or its stakeholders will benefit from, as part of the Transaction.

- (b) Forthwith following receipt by the Purchaser's Solicitors of the payments pursuant to Subsection 6.4(a) and the documents and items referred to in Section 6.2, the Purchaser shall cause the Purchaser's Solicitors to file the Approval and Vesting Order in the Victoria Land Title Office on the Closing Date in accordance with written undertakings settled between the Purchaser's Solicitors and the Receiver's Solicitors and which will require the Receiver's Solicitors to make such payments and do such acts and things as are necessary to discharge from title to the Real Property any encumbrances which are not Permitted Encumbrances. For greater certainty, the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings may apply, subject to necessary and required amendments that are satisfactory to the Purchaser's Solicitors and Receiver's Solicitors.

## **6.5 Possession**

Possession shall occur and shall be governed by the operation of and pursuant to the terms of the Approval and Vesting Order and any further order of the Court.

The Purchaser acknowledges that the Receiver is not in possession of the Real Property and has no control over whether the registered owner(s) of the Real Property vacate the Real Property on the Closing Date. The Purchaser hereby agrees to accept, on the Closing Date, all obligations that arise under the Contracts on or after the Closing Date.

## **6.6. Claim Fund**

In the event that excess funds remain in the Claim Fund after payment of all amounts required to satisfy the Creditor Claims, including as may be agreed between the Purchaser and the applicable Creditor, the Receiver shall forthwith return such excess funds to the Purchaser.

# **ARTICLE 7 INSOLVENCY PROVISIONS**

## **7.1 Court Orders and Related Matters**

- (a) Closing is expressly subject to the approval of the Court, and all such other modifications, variations and orders of the Court, as may be applicable, and shall only occur after the Approval and Vesting Order has been granted by the Court approving this Agreement.
- (b) The Purchaser acknowledges and agrees that:
  - (i) at all times prior to Closing, the Receiver is subject to the jurisdiction and discretion of the Court to entertain other offers and to abide by any further orders the Court may make regarding the Purchased Assets and the SISP Order;
  - (ii) the Receiver may choose to advocate, or the Receiver may be compelled to advocate, that the Court consider other offers to obtain the highest price for the Purchased Assets, and, in this regard, the Receiver gives no undertaking or commitment to the Purchaser to advocate or otherwise express support for the acceptance of this Agreement;
  - (iii) it has been advised by the Receiver that, in order to protect its interests, the Purchaser should retain legal counsel to appear at the hearing of the application for the Approval and Vesting Order, including to make an amended or further offer for the Purchased Assets should that prove necessary; and
  - (iv) until the Approval and Vesting Order is granted, the Receiver is at liberty to deal with any and all other prospective purchasers of the Purchased Assets.
- (c) This Agreement shall be terminated if, at any time before the Court issues the Approval and Vesting Order:
  - (i) the Receiver gives the Purchaser written notice that the Receiver, acting reasonably, has determined that it is inadvisable to present this Agreement to the Court; or
  - (ii) any order of the Court (or other court of competent jurisdiction) renders the completion impossible or the Receiver is restrained or enjoined or otherwise prevented from completing the sale;and, following such termination, the Parties shall have no further obligations or liability to each other under this Agreement other than the obligation of the Receiver to return the Deposit to the Purchaser.

## ARTICLE 8 ENVIRONMENTAL

**8.1** In this Article 8, "**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 governmental authority, arising from or with respect to any one or more of the following:

- (a) the release or presence at the Real Property 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 in respect of environmental matters associated with the Real Property, whether for clean up, remediation, assessment or otherwise; and
- (c) liability for personal injury or property damage at the Real Property 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 Purchaser waives any right to a site profile or any other report under the *Environmental Management Act* (British Columbia) and the regulations thereto.

The Purchaser irrevocably releases, remises and forever discharges the Receiver and the Receiver's 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, or any concerns that the Purchaser has, could have or may have in the future, which in any way arise out of or relate to any Environmental Liabilities.

## ARTICLE 9 CONDITIONS OF CLOSING

### **9.1 Conditions Precedent in favour of the Parties**

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated; and
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 9.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

## **9.2 Conditions Precedent in favour of the Purchaser**

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Receiver's Deliverables. The Receiver shall have (i) delivered or conveyed, or caused to have been delivered to the Purchaser all of the Purchased Assets; and (ii) executed and delivered or caused to have been executed and delivered to the Purchaser all the documents contemplated in Section 6.2.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 4.1(a) shall be true and correct in all respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Receiver shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Receiver on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 9.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in this Section 9.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Receiver to terminate this Agreement.

## **9.3 Conditions Precedent in favour of the Receiver**

The obligation of the Receiver to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Receiver at the Closing all the documents and payments contemplated in Section 6.3.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 4.1(b) shall be true and correct in all respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Receiver. Any condition in this Section 9.3 may be waived by the Receiver in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Receiver only if made in writing. If any condition set forth in this Section 9.3 is not satisfied or performed on or prior to the Outside Date, the Receiver may elect on written notice to the Purchaser to terminate the Agreement.

## ARTICLE 10 TERMINATION

### 10.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Receiver and the Purchaser;
- (b) by the Purchaser, upon written notice to the Receiver, if there has been a material breach by the Receiver of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 9.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Receiver, and such breach has not been cured within five (5) days (or, if not curable within five (5) days, such longer period as is reasonable under the circumstances, not to exceed fifteen (15) days) following the date upon which the Receiver received such notice;
- (c) by the Purchaser, upon written notice to the Receiver, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Receiver, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Receiver, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 9.3 impossible by the Outside Date; or (ii) if such breach is curable, the Receiver has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within five (5) days (or, if not curable within five (5) days, such longer period as is reasonable under the circumstances, not to exceed fifteen (15) days) following the date upon which the Purchaser received such notice;
- (e) by the Receiver, upon written notice to the Purchaser, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Receiver; or
- (f) in accordance with Section 7.1(c).

### 10.2 Effect of Termination

If this Agreement is terminated pursuant to Section 10.1, all further obligations of the Parties under this Agreement shall terminate and no Party shall have any Liability or further obligations hereunder, save and except the Deposit which shall be dealt with in accordance with Section 3.2 hereof.

## ARTICLE 11 GENERAL

### 11.1 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 and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of British Columbia therefrom.

### 11.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

Sanovest Holdings Ltd.  
c/o Fasken Martineau Dumoulin LLP  
Suite 2900, 550 Burrard Street  
Vancouver, BC V6C 0A3

Attention: Tian Kusumoto  
Email: [trk@sanovest.com](mailto:trk@sanovest.com)

Attention: Kibben Jackson and Lisa Hiebert  
Email: [kjackson@fasken.com](mailto:kjackson@fasken.com) and [lhiebert@fasken.com](mailto:lhiebert@fasken.com)

(b) in the case of the Receiver, as follows:

Alvarez & Marsal Canada Inc.  
Cathedral Place Building  
925 West Georgia Street, Suite 902  
Vancouver, BC, V6C 3L2

Attention: Anthony Tillman, Marianna Lee, and Taylor Poirier  
Email: [atillman@alvarezandmarsal.com](mailto:atillman@alvarezandmarsal.com),  
[marianna.lee@alvarezandmarsal.com](mailto:marianna.lee@alvarezandmarsal.com), and [tpoirier@alvarezandmarsal.com](mailto:tpoirier@alvarezandmarsal.com)

with a copy to:

Blake, Cassels & Graydon LLP  
1133 Melville Street  
Suite 3500, The Stack  
Vancouver, BC V6E 4E5

Attention: Peter Rubin and Peter Bychawski  
Email: [peter.rubin@blakes.com](mailto:peter.rubin@blakes.com) and [peter.bychawski@blakes.com](mailto:peter.bychawski@blakes.com)

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Vancouver time) on a Business Day, shall be deemed to have been given on such Business Day, and if

transmitted by email after 5:00 p.m. (Vancouver time) on a Business Day, shall be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

#### **11.3 Public Disclosure**

The Receiver shall be entitled to disclose this Agreement to the Court and parties with an interest in the Sale Process and as otherwise necessary to obtain the Approval and Vesting Order. The Purchaser acknowledges and agrees that any information provided to the Purchaser with respect to this Agreement or the transactions contemplated herein shall be kept confidential by the Purchaser and not disclosed to any third party, except the Purchaser's directors, officers, employees, agents or advisors, including lawyers, accountants, consultants, bankers and financial advisors (the "**Purchaser Authorized Parties**") for the purpose of carrying out the intent of this Agreement. The Purchaser will instruct the Purchaser Authorized Parties to comply with the provisions of this Section 11.3 and the Purchaser will be responsible for any breach of this Section 11.3 by a Purchaser Authorized Party.

#### **11.4 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

#### **11.5 Survival**

The representations and warranties of the Parties contained in this Agreement shall merge on Closing. The covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

#### **11.6 Benefit of Agreement**

This Agreement shall ensure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

#### **11.7 Entire Agreement**

This Agreement, the Schedules attached hereto, and any application provisions of the SISP Order, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement

may not be amended or modified in any respect except by written instrument executed by the Receiver and the Purchaser.

#### **11.8 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the transactions contemplated by this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

#### **11.9 Assignment**

Neither Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Party.

#### **11.10 Further Assurances**

Each of the Parties shall (including following Closing), take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement and the transactions contemplated herein.

#### **11.11 Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be an original, and all of which taken together will constitute one and the same agreement. An electronically or digitally signed counterpart of this Agreement using DocuSign or any other electronic or digital form of execution will have the same force and effect as a manually signed counterpart. Delivery of an executed counterpart of this Agreement by electronic means, including by facsimile transmission or by electronic delivery in portable document format (".pdf"), will be equally effective as delivery of an originally or manually executed counterpart.

#### **11.12 Severability**

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

#### **11.13 Receiver's Capacity**

In addition to all of the protections granted to the Receiver under the BIA, other applicable legislation, or any order of the Court in the Receivership Proceedings, the Purchaser acknowledges and agrees that the Receiver, acting in its capacity as Receiver in respect of the Debtors and not in its personal or corporate capacity, shall have no liability, in its personal or corporate capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as receiver.

*[Signature Page Follows]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

**ALVAREZ & MARSAL CANADA  
INC.** in its capacity as Court appointed receiver of certain lands of Bear Mountain Adventures Ltd. / of the property and all of the operations and business of Ecoasis Resort and Golf LLP / and all the assets, undertakings and property of Ecoasis Developments LLP / Ecoasis Bear Mountain Developments Ltd. / 0884185 B.C. Ltd. / 0884188 B.C. Ltd. / 0884190 B.C. Ltd., 0884194 B.C. Ltd. / BM 81/82 Lands Ltd. / BM 83 Lands Ltd. / BM 84 Lands Ltd. / BM Capella Lands Ltd. / BM Highlands Golf Course Ltd. / BM Highlands Lands Ltd. / and BM Mountain Golf Course Ltd., and not in its personal or corporate capacity

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SANOVEST HOLDINGS LTD.**

Per:   
Name: Tish Kusumoto  
Title: Director

[Signature Page to Purchase Agreement]

**SCHEDULE A**  
**REAL PROPERTY**

#	Legal Owner	PID	Legal Description	Municipal Address
	0884185 B.C. Ltd.	027-205-207	Lot 3, Section 3, Range 4W, Highland District, Plan VIP83700	2131 PLAYERS DR LANGFORD BC
	0884188 B.C. Ltd.	027-205-215	Lot 4, Section 3, Range 4W, Highland District, Plan VIP83700	2109 PLAYERS DR LANGFORD BC
	0884190 B.C. Ltd.	027-567-907	Lot A, Section 3, Range 4W, Highland District, Plan VIP85309	1004 CAPELLA DR LANGFORD BC
	0884194 B.C. Ltd.	027-567-915	Lot B, Section 3, Range 4W, Highland District, Plan VIP85309	1004 CAPELLA DR LANGFORD BC
	Bear Mountain Adventures Ltd.	030-726-123	Lot A District Lot 82 Highland District Plan EPP70640	1294 ACADEMY WAY LANGFORD BC
	BM 81/82 Lands Ltd	025-838-555	Lot 1 Section 82 Highland District Plan VIP76365 except Part in Plan VIP79028 and VIP85324	2079 HEDGESTONE LN LANGFORD BC
		009-853-103	Section 81 Highland District except Part in Plans VIP72556 VIP75509, EPP63084 and EPP80460	1445 BEAR MOUNTAIN PKY LANGFORD BC
		025-088-106	Section 3 Range 4 West Highland District except Parts in Plans 27507, VIP76196, VIP76988, VIP80330, VIP80743, VIP81146, VIP82127 and VIP88981, EPP27392	N/A
		009-858-636	Section 82 Highland District except Part in Plans VIP75509 VIP76197 VIP76364 VIP76365 VIP76988 VIP77878 VIP80330 VIP81135 VIP88981 EPP27392 EPP46993 EPP54046 and EPP63084	2050 COUNTRY CLUB WAY LANGFORD BC V9B 6R3
		027-590-127	Lot A Section 82 Highland District Plan VIP85331	1296 BEAR MOUNTAIN PKY LANGFORD BC V9B 6R3
	BM 83 Lands Ltd.	009-858-652	Section 83 Highland District except Parts in Plans VIP75509 VIP77878, VIP78873, VIP80330, VIP82040, VIP82483, VIP82960, VIP88981, VIP88983, EPP33056,	1991 BEAR MOUNTAIN PKY LANGFORD BC

#	Legal Owner	PID	Legal Description	Municipal Address
			EPP80460, EPP68922 and EPP86748	
	BM 84 Lands Ltd.	009-853-081	Section 84 Highland District except Plans VIP72556, VIP75509, VIP89370, EPP72419, EPP80460, EPP86748, EPP101117 and EPP111201	1950 BEAR MOUNTAIN PKY LANGFORD BC
	BM Capella Lands Ltd.	026-575-680	Lot 34 Section 3 Range 4 West Highland District Plan VIP80330	2105 PLAYERS DR LANGFORD BC
		027-568-849	Lot A, Section 3, Range 4W, Highland District, Plan VIP85310	2125 PLAYERS DR LANGFORD BC
		027-568-857	Lot B, Section 3, Range 4W, Highland District, Plan VIP85310	2121 PLAYERS DR LANGFORD BC
	BM Highlands Golf Course Ltd. and BM Highlands Lands Ltd.	024-672-092	Lot A Section 4 Range 4W Highland District Plan VIP70021 (see Plan as to Limited Access) except that Part in Plan VIP75586	N/A
		009-861-831	Section 12 Highland District except Parts in Plans 10853,11134 and 45402	N/A
		009-861-815	Section 5 Range 4 West Highland District except Part in Plans VIP60675, VIP67875 and VIP75584	N/A
		009-861-823	The South 60 Acres of Section 6 Range 4 West Highland District except Part in Plan VIP67875	N/A
		009-861-866	Section 16 Highland District except that Part in Plan VIP72555,	1500 HANNINGTON RD VICTORIA BC
		025-088-092	Block B Section 75 Land District 24	N/A
		005-438-187	Lot 24, Section 17, Highland District Plan 4128 Except Part in Plan 45401	N/A
	BM Mountain Golf Course Ltd.	025-695-126	Lot 2 Sections 81, 82, 83 and 84 Highland District Plan VIP75509 except Parts in Plans VIP76365, VIP78873, VIP81135, VIP81958, VIP82040, VIP89370, EPP42751, EPP46993, EPP80460, EPP68922 and EPP111201	2133 CHAMPIONS WAY LANGFORD BC
		025-838-466	Air Space Lot A District Lot 82 Highland District Air Space Plan VIP76364	N/A

#	Legal Owner	PID	Legal Description	Municipal Address
		025-695-118	Lot 1 Sections 81, 82 and 84 Highland District Plan VIP75509 except Plans VIP76365, VIP79028, VIP82848, VIP82851, VIP85324, EPP19660, EPP63084, EPP72419, EPP80460 and EPP70640	1270 BEAR MOUNTAIN PKY LANGFORD BC
		029-938-490	Lot 29 Section 81 Highland District Plan EPP63084 except Strata Plan EPS5110 (Phase 1)	2030 PEBBLE DR LANGFORD BC
		030-616-956	Strata Lot 4 Section 81 Highland District Strata Plan EPS5110	#126 2030 PEBBLE DR LANGFORD BC V9B 0T4
		030-616-948	Strata Lot 3 Section 81 Highland District Strata Plan EPS5110	#128 2030 PEBBLE DR LANGFORD BC V9B 0T4

**SCHEDULE B**  
**SISP ORDER**

See attached.

## SALE AND INVESTMENT SOLICITATION PROCESS

### **I. INTRODUCTION**

1. By Order of the Supreme Court of British Columbia (the "Court") dated September 18, 2024 (the "Receivership Order"), Alvarez & Marsal Canada Inc. was appointed receiver and manager (in such capacity, the "Receiver"), without security, of certain lands of Bear Mountain Adventures Ltd. ("BMA"), any interests in real property of Ecoasis Resort and Golf LLP ("Resorts"), and all the assets, undertakings and property of Ecoasis Developments LLP, Ecoasis Bear Mountain Developments Ltd., 0884185 B.C. Ltd., 0884188 B.C. Ltd., 0884190 B.C. Ltd., 0884194 B.C. Ltd., BM 81/82 Lands Ltd., BM 83 Lands Ltd., BM 84 Lands Ltd., BM Capella Lands Ltd., BM Highlands Golf Course Ltd., BM Highlands Lands Ltd., and BM Mountain Golf Course Ltd. (collectively, the "Development Entities" and together with BMA and Resorts, "Ecoasis").
2. On July 15, 2025, the Court granted an "Approval Order", among other things:
  - (A) approving the sale and investment solicitation procedures set forth herein (the "SISP Procedures");
  - (B) appointing Colliers Macaulay Nicolls Inc. ("Colliers") to act as "Sales Agent" for the purposes of these SISP Procedures pursuant to the terms set out in an Exclusive Sale Listing Agreement dated July 8, 2025 (the "Sales Agent Agreement") between the Receiver, Colliers, as brokerage, and the Designated Agents (as defined in the Sales Agent Agreement).
3. The purpose of these SISP Procedures is to facilitate the solicitation of interest in one or more, or any combination of:
  - (A) an "Asset Bid" consisting of a sale of some, all, or substantially all the property of Ecoasis (the "Property") and/or a sale of some, all, or substantially all the business operations of Ecoasis, including all the golf, tennis, and other business activities of Resorts (the "Business"); or
  - (B) a "Restructuring Bid" consisting of a restructuring, recapitalization, or other form of reorganization of Ecoasis, the Property and/or Business.
4. These SISP Procedures describe the way persons interested in making offers with respect to Ecoasis, the Property, and/or Business may gain access to due diligence materials, how offers can be submitted, the criteria that the Receiver will use to evaluate any offers, and how Court approval will be sought in respect of any transaction.
5. The Receiver may make or grant any non-material amendments, extensions, and waivers with respect to the terms of these SISP Procedures, including the requirements, criteria, and timelines set out herein, in its own discretion or at the direction of the Court.

### **II. STALKING HORSE BID AND CREDIT BIDDING**

6. The Receiver may apply to the Court for approval to accept a "stalking horse" bid for the purpose of these SISP Procedures. If a "stalking horse" bid is approved by the Court, the Receiver will post notice of the approval of the "stalking horse" bid on the Receiver's website

at <https://www.alvarezandmarsai.com/ecoasisdevelopments> and also provide all Potential Bidders with notice of such approval.

7. Any secured creditor of Ecoasis shall have the right under these SISP Procedures to bid its secured debt secured by or against the Property and/or Business, including principal, interest and any other secured obligations owing to such secured creditor by Ecoasis; provided, however, that any such secured creditor shall be required to pay in full in cash on the closing of any transaction any obligations in priority to its secured debt (unless otherwise agreed by the holder of such priority obligation) and the reasonable fees and expenses of the Receiver necessary to conclude the Receiver's duties and obligations under or in connection with the Receivership Order.

### **III. "AS IS, WHERE IS" BASIS**

8. Any transactions involving Ecoasis, the Property, and/or Business, will be subject only to such representations, warranties, covenants, or indemnities as are expressly included in the Final Agreement (as defined below), but will otherwise be on an "as is, where is" basis and without surviving representations, warranties, covenants, or indemnities of any kind, nature, or description by the Receiver, the Sales Agent, or any of their agents, employees, advisors, professionals, or otherwise.

### **IV. TARGET MILESTONES**

9. The following table sets out the target milestones under the SISP:

PHASE	TARGET DATE
Commencement of SISP	July 22, 2025
Letter of Intent ("LOI") Deadline	September 16, 2025
Commencement of Final Bid Process	September 22, 2025
Final Bid Deadline	November 3, 2025
Auction or other process (If Applicable)	No later than November 17, 2025
Final Agreement Deadline	November 28, 2025
Court Approval	No later than December 8, 2025
Outside Closing Date	December 31, 2025

10. The target milestones provided herein may be extended by the Receiver in its sole discretion if the Receiver is of the view that any such extensions would further the purpose of these SISP Procedures.

## **V. THE SISP PROCESS**

### **A. Initial Solicitation of Interest**

11. The Receiver, or the Sales Agent in consultation with the Receiver, may contact any persons to solicit non-binding indications of interest in Ecoasis, the Property, and/or the Business.
12. As soon as reasonably practicable following the Approval Order, the Sales Agent, in consultation with the Receiver, may, but is not required to, cause a notice regarding these SISP Procedures, in a form satisfactory to the Receiver, to be published in any publication that the Sales Agent and Receiver determine notice of these SISP Procedures should be published in.
13. As soon as reasonably practicable after the granting of the Approval Order, the Sales Agent, in consultation with the Receiver, will prepare a list of "Known Potential Bidders" who may have interest in a transaction involving Ecoasis, the Property, and/or the Business. Such list will include parties who, in the Sale Agent's and the Receiver's reasonable judgment, may be interested in acquiring an interest in Ecoasis, the Property, and/or Business, whether pursuant to an Asset Bid or a Restructuring Bid.
14. The Sales Agent, in consultation with the Receiver, may prepare an initial marketing or offering summary (a "Teaser Letter") notifying Known Potential Bidders of these SISP Procedures and inviting the Known Potential Bidders to express their interest in making an Asset Bid or a Restructuring Bid.
15. The Receiver or the Sales Agent, in consultation with the Receiver, may distribute to the Known Potential Bidders and any other interested persons any Teaser Letter, or other marketing material, as well as a draft form of confidentiality agreement (the "Confidentiality Agreement").
16. Any person who (A) executes a Confidentiality Agreement, in form and substance satisfactory to the Receiver, and, (B) in the opinion of the Receiver, has the financial capabilities and business expertise to make a viable Asset Bid or Restructuring Bid, shall be deemed to be a "Potential Bidder".

### **B. Due Diligence**

17. The Sales Agent, in consultation with the Receiver, may prepare such marketing or other materials as the Sales Agent and the Receiver deem appropriate describing the opportunity to make an Asset Bid or a Restructuring Bid for distribution to Potential Bidders in accordance with these SISP Procedures.
18. The Sales Agent shall provide Potential Bidders with information, including access to any electronic data room, that the Receiver determines to be appropriate for Potential Bidders to evaluate a transaction involving an Asset Bid or a Restructuring Bid.
19. The Receiver, the Sales Agent, and any of their agents, employees, advisors, and professionals are not responsible for, and will have no liability with respect to, any information provided to or obtained by any Potential Bidder in connection with Ecoasis, the Property, and/or Business.

### C. Qualified LOI Process

20. Any Potential Bidder who wishes to submit an Asset Bid or a Restructuring Bid must deliver a written, non-binding letter of intent in respect of Ecoasis, the Property, and/or Business (each, an "LOI") to the Receiver at the address specified in these SISP Procedures which must be received by the Receiver by no later than 5:00 p.m. (Pacific Standard Time) on September 16, 2025 (the "LOI Deadline").
21. An LOI shall constitute a "Qualified LOI" under these SISP Procedures if it:
  - (A) provides a letter setting forth the identify of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect owners of the Potential Bidder and its principals;
  - (B) includes an acknowledgment of receipt of a copy of these SISP Procedures and the Approval Order and confirmation of agreement to be bound by the provisions thereof;
  - (C) contains a specific indication of the anticipated sources of capital for such Potential Bidder and such additional information as may be requested by the Receiver as being reasonably necessary for the Receiver to assess in its reasonable business or professional judgment the Potential Bidder's financial and other capabilities to consummate an Asset Bid and/or a Restructuring Bid;
  - (D) indicates whether the Potential Bidder wishes to tender (i) an Asset Bid or (ii) a Restructuring Bid;
  - (E) in the case of an Asset Bid, it identifies
    - (i) the purchase price range (including liabilities to be assumed by the Potential Bidder);
    - (ii) the Property included, any of the Property expected to be excluded, and/or any additional assets desired to be included in the transaction;
    - (iii) the structure and financing of the transaction;
    - (iv) any anticipated corporate, shareholder, internal, or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
    - (v) any additional due diligence required or desired to be conducted by the Potential Bidder, if any;
    - (vi) any conditions to closing that the Potential Bidder may wish to impose; and
    - (vii) any other terms or conditions of the Asset Bid which the Potential Bidder believes are material to the transaction;
  - (F) in the case of a Restructuring Bid, it identifies:
    - (i) the type of transaction or structure of the bid including with respect to any proposed restructuring, recapitalization, or other form of reorganization of the business, property,

or affairs of Ecoasis, including but not limited to the debt, share, or capital structure, as applicable;

- (ii) the aggregate amount of the equity and debt investment, including liabilities to be assumed by the Potential Bidder, to be made in Ecoasis, if applicable;
- (iii) the underlying assumptions regarding the pro forma capital structure (including the anticipated debt levels, debt service fees, interest, and amortization);
- (iv) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors;
- (v) the financing of the transaction;
- (vi) any anticipated corporate, shareholder, internal, or regulatory approvals required to close the transaction, the anticipated time frame, and any anticipated impediments for obtaining such approvals;
- (vii) anticipated tax planning, if any;
- (viii) any additional due diligence required or desired to be conducted by the Potential Bidder, if any;
- (ix) any conditions to closing that the Potential Bidder may wish to impose; and
- (x) any other terms or conditions of the Restructuring Bid which the Potential Bidder believes are material to the transaction; and

(G) such other information reasonably requested by the Receiver.

22. The Receiver and Sales Agent shall have full discretion and authority to discuss any LOIs received, and their terms, with the applicable Potential Bidders.
23. Any Potential Bidder who submits a Qualified LOI on or before the LOI Deadline shall be designated a "Qualified Bidder".
24. The Receiver shall make all reasonable effort to decide whether a Potential Bidder is a Qualified Bidder as soon as reasonably practicable after the LOI Deadline.

#### **D. Final Bid Process**

25. The Receiver or Sales Agent may invite Qualified Bidders to conduct additional due diligence or otherwise make available to Qualified Bidders additional information not posted in the electronic data room, arrange for inspections and site visits, or otherwise disclose further information, as determined by the Receiver.
26. Any Qualified Bidder may submit an Asset Bid or a Restructuring Bid (each a "Final Bid") to the Receiver at the address specified in these SISP Procedures which must be received by the Receiver by no later than 5:00 p.m. (Pacific Standard Time) on November 3, 2025 (the "Final Bid Deadline").

27. A Final Bid submitted as an Asset Bid shall be a "Qualified Asset Bid" if:

- (A) it includes a duly authorized and executed purchase and sale agreement, together with a blackline showing changes made to the form of purchase and sale agreement made available by the Receiver to all Qualified Bidder, specifying all consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto;
- (B) it includes a letter stating that the Asset Bid is irrevocable until the earlier of (i) approval by the Court, and (ii) forty-five (45) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as the Winning Bid (as defined below) or the Backup Bid (as defined below), it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
- (C) it does not include any request or entitlement to any break fee, expense reimbursement, or similar type of payment;
- (D) it includes written evidence of a firm, irrevocable, commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Receiver to allow the Receiver to make a reasonable determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Qualified Asset Bid;
- (E) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or (ii) obtaining any financing capital;
- (F) it includes an acknowledgement and representation that the bidder (i) has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid; (ii) has relied solely on its own independent review, investigation, and inspection of any documents, the assets to be acquired and the liabilities to be assumed; and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guarantees whatsoever, whether express or implied, except as expressly stated in the purchase and sale agreement;
- (G) it fully discloses the identity of each person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (H) it provides for closing of the proposed transaction by no later than December 31, 2025 (the "Outside Closing Date");
- (I) it is accompanied by a refundable deposit (the "Deposit") in the form of a wire transfer (to a trust account specified by the Receiver), in an amount equal to five percent (5%) of the cash consideration to be paid in respect of the Asset Bid, to be held and dealt with in accordance with these SISP Procedures;
- (J) it contains other information reasonably requested by the Receiver; and
- (K) it is received by no later than the Final Bid Deadline.

28. A Final Bid submitted as a Restructuring Bid shall be a "Qualified Restructuring Bid" if:

- (A) it includes definitive documentation, duly authorized and executed by the Qualified Bidder, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, and details regarding the proposed equity and debt structure of Ecoasis following completion of the proposed transaction;
- (B) it includes a letter stating that the Restructuring Bid is irrevocable until the earlier of (i) the approval by the Court, and (ii) forty-five (45) days following the Final Bid Deadline]; provided, however, that if such Restructuring Bid is selected as the Winning Bid or the Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
- (C) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- (D) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Receiver to allow the Receiver to make a reasonable determination as to Qualified Bidders (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Qualified Restructuring Bid;
- (E) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or (ii) obtaining any financing capital;
- (F) it includes an acknowledgement and representation that the bidder (i) has had an opportunity to conduct any and all required due diligence prior to making its Restructuring Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the definitive documentation;
- (G) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Restructuring Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (H) it provides for closing of the proposed transaction by no later than the Outside Closing Date (being December 31, 2025)
- (I) it is accompanied by a refundable Deposit in the form of a wire transfer (payable to a trust account specified by the Receiver) in an amount equal to five percent (5%) of the cash consideration to be paid pursuant to the Restructuring Bid, to be held and dealt with in accordance with this SISP
- (J) it contains other information reasonably requested by the Receiver;
- (K) it is received by no later than the Final Bid Deadline.

29. All Qualified Asset Bids and Qualified Restructuring Bids shall constitute "**Qualified Final Bids**".

#### **E. Selection of Winning Bid**

30. In reviewing the Qualified Final Bids, the Receiver and the Sales Agent shall have full discretion and authority to discuss the bids received, and their terms, with the applicable Qualified Bidders.
31. The Receiver shall review all Qualified Final Bids in consultation with the Sales Agent to determine the highest or otherwise best bid, which determination will not be based on price alone. The Receiver shall exercise its judgment in evaluating Qualified Final Bids with conditionality of any bid being a significant factor. Other evaluation criteria will include, but are not limited to, matters such as: (A) the purchase price or net value being provided by such bid; (B) the firm, irrevocable, commitment for financing the proposed transaction; (C) the timeline to closing of any bid; (D) the identity, circumstances, and ability of the proponents of the Qualified Final Bids to successfully complete the transaction; (E) the costs associated with the bid and its consummation; and (F) the terms of the proposed transaction documents.
32. As part of the assessment of Qualified Final Bids, the Receiver shall have the discretion to determine the process and timing to be followed in selecting the highest and best bid including, but not limited to, whether proceeding to a sealed bid, auction, or other process, to be conducted in accordance with procedures determined by the Receiver, would further the objective of these SISP Procedures.
33. The Receiver shall, in consultation with the Sales Agent, identify the highest or otherwise best Qualified Final Bid received (the "**Winning Bid**") and the next highest or otherwise best Qualified Final Bid received (the "**Backup Bid**"). The person(s) who made the Winning Bid shall be the "**Successful Bidder**" and the person(s) who made the Backup Bid shall be the "**Backup Bidder**".
34. The Receiver shall notify the Successful Bidder, if any, the Backup Bidder, if any, and any other bidders of their respective status as soon as reasonably practicable in the circumstances.
35. The Backup Bid shall remain open and capable of acceptance by the Receiver until the earlier of (A) the consummation of the transaction contemplated by the Winning Bid; and (B) the date that is 45 days after the Final Agreement Deadline, as defined below, (the "**Backup Bid Release Date**"). For greater certainty, the Receiver shall be entitled to continue to hold the Deposit in respect of the Backup Bid until the Backup Bid Release Date.
36. The Receiver may, but shall have no obligation to, enter into an agreement or agreements with the Successful Bidder (a "**Final Agreement**"). Any Final Agreement entered into with the Successful Bidder shall be executed on or before November 28, 2025 (the "**Final Agreement Deadline**").
37. In the event that no Qualified Bidder submits, or is deemed to have submitted, a Qualified Final Bid, the Receiver determines that none of the Qualified Final Bids should be accepted, a Final Agreement is not entered into before the Final Agreement Deadline, or a Final Agreement is not entered into before the Final Agreement Deadline, and the Receiver does not accept a Backup Bid, then the Receiver may terminate this SISP.

38. The Receiver has the right not to accept any Qualified Final Bid. The Receiver further has the right to deal with one or more Qualified Bidders to the exclusion of other persons, to accept a Qualified Final Bid or one or more Qualified Final Bids for some or all the Property and/or Business, or in relation to some or all of Ecoasis, to accept multiple Qualified Final Bids, and enter into multiple Final Agreements.

#### **VI. APPROVAL AND VESTING ORDER**

39. If the Receiver enters into a Final Agreement in respect of a Winning Bid, a Backup Bid, or any other bid, the Receiver shall apply for an order from the Court approving the transaction contemplated by that bid and any necessary or appropriately related relief required to consummate the transaction contemplated by that bid. The Receiver may also concurrently obtain relief approving the transaction contemplated by the Backup Bid and any necessary related relief required to consummate the transaction contemplated by the Backup Bid.

#### **VII. DEPOSITS**

40. All Deposits paid pursuant to these SISP Procedures shall be held in trust by the Receiver in an interest-bearing account. The Receiver shall also hold the Deposits paid by each of the Successful Bidder and the Backup Bidder in accordance with these SISP Procedures.

41. If a Deposit is paid pursuant to these SISP Procedures, and the Receiver elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the person that paid such Deposit, the Receiver shall return the Deposit to that person.

42. If (A) the Successful Bidder or Backup Bidder breaches any of its obligations under its Qualified Final Bid, any Final Agreement, or the terms of these SISP Procedures, or (B) a Qualified Bidder breaches its obligations under the terms of these SISP Procedures or under the terms of its Qualified Final Bid if required by the Receiver to complete such transaction contemplated by its Qualified Final Bid, then in each case, such Qualified Bidder's Deposit will be forfeited as liquidated damages and not as a penalty.

#### **VIII. NOTICE**

43. The addresses used for delivering documents to the Receiver as required by the terms and conditions of these SISP Procedures are set out below. A bid and all associated documentation shall be delivered to the Receiver by electronic mail, personal delivery or courier.

To the Receiver:

Alvarez & Marsal Canada Inc.  
Cathedral Place Building  
925 West Georgia Street, Suite 902  
Vancouver, BC, V6C 3L2

Attention: Anthony Tillman / Taylor Poirier / Marianna Lee  
Tel. No.: 604-639-0849 / 604-639-0852 / 604-639-0845  
Email: [atillman@alvarezandmarsal.com](mailto:atillman@alvarezandmarsal.com) / [tpoirier@alvarezandmarsal.com](mailto:tpoirier@alvarezandmarsal.com) / [marianna.lee@alvarezandmarsal.com](mailto:marianna.lee@alvarezandmarsal.com)

with a copy to:

Blake, Cassels & Graydon LLP  
1133 Melville Street  
Suite 3500, The Stack  
Vancouver, BC V6E 4E5

Attention: Peter Rubin / Peter Bychawski  
Tel. No.: 604-631-3315 / 604-631-4218  
Email: [peter.rubin@blakes.com](mailto:peter.rubin@blakes.com) / [peter.bychawski@blakes.com](mailto:peter.bychawski@blakes.com)

44. Deliveries pursuant to these SISP Procedures by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to these SISP Procedures shall be deemed to be received when delivered to the address as identified above.

#### **IX. CONFIDENTIALITY**

45. All participants and prospective participants under these SISP Procedures, and all other persons, shall not be permitted to receive any information that is not made generally available to all participants, including the details of any confidential discussions or correspondence between the Receiver, the Sales Agent, and such participants, except to the extent that the Receiver, with the consent of the applicable participants, seeks to combine portion bids into a single bid. For greater certainty, the Receiver reserves the right to keep all information relating to these SISP Procedures confidential all persons if in the view of the Receiver such confidentiality is required to protect the integrity of these SISP Procedures.
46. All discussions regarding these SISP Procedures should be directed through the Receiver or Sales Agent. Under no circumstances should any participants and prospective participants be in contact with one another in respect of these SISP Procedures without the prior written consent of the Receiver.
47. The Sales Agent shall keep confidential all information concerning Potential Bidders, LOIs, Qualified Bidders, Final Bids, Qualified Final Bids, Winning Bid, Successful Bidder, the Backup Bidder, and the Final Agreement.

#### **X. GENERAL**

48. If the Receiver determines that it is not in the best interest of Ecoasis and its stakeholders to continue with these SISP Procedures, including based on the nature or value of one or more bids received from Potential Bidders or Qualified Bidders on or before the Qualified LOI Deadline or the Final Bid Deadline, as applicable, then the Receiver may elect to terminate these SISP Procedures on notice to all affected participants under these SISP Procedures.
49. These SISP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver and any Potential Bidder, Qualified Bidder, Successful Bidder, or Backup Bidder, other than as specifically set forth in definitive documentation that may be executed by the Receiver.
50. The Receiver and the Sales Agent, and their respective affiliates, partners, directors, employees, advisors, agents, shareholders and controlling persons, shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in

connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of any of the foregoing in performing their obligations under or in connection with the SISP (as determined by the Court).

51. The Receiver may apply to the Court for advice and directions with respect to the discharge of its obligations and duties in connection with these SISP Procedures.

No. S-243389  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF  
ECOASIS DEVELOPMENTS LLP AND OTHERS

BETWEEN:

**SANOVEST HOLDINGS LTD.**

PETITIONER

AND:

ECOASIS DEVELOPMENTS LLP, ECOASIS  
BEAR MOUNTAIN DEVELOPMENTS LTD.,  
ECOASIS RESORT AND GOLF LLP,  
0884185 B.C. LTD., 0884188 B.C. LTD.,  
0884190 B.C. LTD., 0884194 B.C. LTD., BM  
81/82 LANDS LTD., BM 83 LANDS LTD., BM  
84 LANDS LTD., BM CAPELLA LANDS  
LTD., BM HIGHLANDS GOLF COURSE  
LTD., BM HIGHLANDS LANDS LTD., BM  
MOUNTAIN GOLF COURSE LTD., and  
BEAR MOUNTAIN ADVENTURES LTD.

RESPONDENTS

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ORDER

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BLAKE, CASSELS & GRAYDON LLP  
Peter L. Rubin and Peter Bychawski  
1133 Melville Street  
Suite 3500, The Stack  
Vancouver, BC V6E 4E5  
604.631.3300  
Agent: Dye & Durham

1391-9145-7560

## SCHEDULE C

### PERMITTED ENCUMBRANCES

#### GENERAL ENCUMBRANCES

The reservations, limitations, exceptions, provisos and conditions, if any, expressed 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.

#### SPECIFIC ENCUMBRANCES

1. as to 2131 Players Drive (Parcel Identifier: 027-205-207):

##### **Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV70972
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW15157
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA16252
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB63093
- Easement FB95827 over Lot 4, Plan VIP83700

##### **Charges, Liens and Interests:**

- Undersurface and other Exc & Res EP16337 registered February 29, 2000 in favour of the Crown in right of British Columbia
- Covenant FB95822 registered September 7, 2007 in favour of the City of Langford
- Rent Charge FB95823 registered September 7, 2007 in favour of the City of Langford

- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

2. as to 2109 Players Drive (Parcel Identifier: 027-205-215):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV70972
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW15157
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA16252
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB63093

**Charges, Liens and Interests:**

- Undersurface and other Exc & Res EP16337 registered February 29, 2000 in favour of the Crown in right of British Columbia
- Covenant FB95822 registered September 7, 2007 in favour of the City of Langford
- Rent Charge FB95823 registered September 7, 2007 in favour of the City of Langford
- Covenant FB95825 registered September 7, 2007 in favour of the City of Langford
- Easement FB95827 registered September 7, 2007 appurtenant to Lots 1-4, Plan VIP83700
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

3. as to 1004 Capella Drive (Lot A) (Parcel Identifier: 027-567-907):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV70972
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW15157
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA16252
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB164434
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB63093
- Easement FB95827 over Lot 4, Plan VIP83700

**Charges, Liens and Interests:**

- Undersurface and other Exc & Res EP16337 registered February 29, 2000 in favour of the Crown in right of British Columbia
- Covenant FB95822 registered September 7, 2007 in favour of the City of Langford
- Rent Charge FB95823 registered September 7, 2007 in favour of the City of Langford
- Easement FB190862 registered July 10, 2008 appurtenant to Lot B, Plan VIP85309
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

4. as to 1004 Capella Drive (Lot B) (Parcel Identifier: 027-567-915):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV70972
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW15157
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA16252
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB164434
- Easement FB190862 over Lot A, Plan VIP85309
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB63093
- Easement FB95827 over Lot 4, Plan VIP83700

**Charges, Liens and Interests:**

- Undersurface and other Exc & Res EP16337 registered February 29, 2000 in favour of the Crown in right of British Columbia
- Covenant FB95822 registered September 7, 2007 in favour of the City of Langford
- Rent Charge FB95823 registered September 7, 2007 in favour of the City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

5. as to 1294 Academy Way (Parcel Identifier: 030-726-123):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4716085
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5356029
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5383703
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5404171

- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5640467
- Restrictive Covenant CA6788826 over part of Lot 28 Plan EPP63084 except part in strata plan EPS4577 (Phase 1) shown in Plan EPP81502
- Easement CA7142605 over parts of Lot 29 Plan EPP63084 except strata plan EPS5110 (Phase 1) and part of the common property, strata plan EPS5110 shown on Plan EPP85478
- Easement CA7249559 over Lots 14 and 15 Plan EPP85219, as shown as Areas 4 and 5 on Plan EPP85220
- Easement CA7385619 over part of Lot 1 Plan VIP75509 except Plans VIP76365, VIP79028, VIP82848, VIP82851, VIP85324, EPP19660, EPP63084, EPP72419, EPP80460 and EPP40640 shown on Plan EPP70909
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV48928
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Restrictive Covenant EX72379 over Lot A Plan VIP79028
- Easement EX72380 over part of Lot A, Plan VIP79028 shown on Plan VIP79029
- Easement FB191153 over Lot C, Plan VIP85324 shown on Plan VIP85326
- Easement FB191154 over Lot B, Plan VIP85324 shown on Plan VIP85327
- Easement FB226922 over that part of the common property of Strata Plan VIS6701 shown on Plan VIP85914
- Restrictive Covenant FB231104 over Strata Lots 1 – 31, Strata Plan VIS6714
- Restrictive Covenant FB27405 over part of Lot A Plan VIP82848 shown on Plan VIP82849
- Easement FB27406 over part of Lot A, Plan VIP82848 shown on Plan VIP82849

**Charges, Liens and Interests:**

- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Statutory Right of Way EV78530 registered July 17, 2003 in favour of District of Langford

- Covenant EW5425 registered January 16, 2004
- Covenant EW5436 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5465 registered January 16, 2004 in favour of the City of Langford
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford
- Covenant CA6671337 registered March 9, 2018 in favour of the City of Langford
- Covenant CA7385620 registered March 8, 2019 in favour of BM Mountain Golf Course Ltd.
- Covenant CA7385623 registered March 8, 2019 in favour of the City of Langford

6. as to 2079 Hedgestone Lane (Parcel Identifier: 025-838-555):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV151152
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV151155
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV48928
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV85847
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV90987
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW120077

**Charges, Liens and Interests:**

- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Covenant EW5425 registered January 16, 2004

- Covenant EW5451 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5456 registered January 16, 2004 in favour of the City of Langford
- Priority Agreement EW5457 registered January 16, 2004
- Statutory Right of Way EW5459 registered January 16, 2004 in favour of the City of Langford
- Restrictive Covenant EX72376 registered June 16, 2005
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

7. as to 1445 Bear Mountain Parkway (Parcel Identifier: 009-853-103):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4716085
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5356029
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5383703
- Restrictive Covenant CA8830260 over Lot A Plan VIP81958 except Part in Plan EPP42751
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW120076
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258

**Charges, Liens and Interests:**

- Exceptions and Reservations ES60836 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Exceptions and Reservations ES60844 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ES60857 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Covenant EW5425 registered January 16, 2004
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Statutory Right of Way FB28070 registered March 26, 2007 in favour of British Columbia Hydro and Power Authority
- Statutory Right of Way FB28071 registered March 26, 2007 in favour of Telus Communications Inc.
- Statutory Right of Way FB420102 registered June 24, 2001 in favour of the City of Langford
- Easement FB463406 registered October 24, 2012 appurtenant to Lot A, Plan VIP89370
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford
- Covenant CA6671337 registered March 9, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230412 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230426 registered December 4, 2018 in favour of the City of Langford

8. as to Parcel Identifier: 025-088-106, Section 3 Range 4 West Highland District except Parts in Plans 27507, VIP76196, VIP76988, VIP80330, VIP80743, VIP81146, VIP82127 and VIP88981, EPP27392:

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW107601
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW15157
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA54524
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258

**Charges, Liens and Interests:**

- Exceptions and Reservations ES60859 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Covenant EV133948 registered November 4, 2003 in favour of TLC the Land Conservancy of British Columbia and the District of Highlands
- Statutory Right of Way EV133949 registered November 4, 2003 in favour of TLC the Land Conservancy of British Columbia and the District of Highlands
- Rent Charge EV156957 registered November 4, 2003 in favour of TLC the Land Conservancy of British Columbia and the District of Highlands
- Covenant EW5425 registered January 16, 2004
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Covenant FB420112 registered June 24, 2011 in favour of the City of Langford

9. as to 2050 Country Club Way (Parcel Identifier: 009-858-636):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4716085

- Restrictive Covenant CA8830260 over Lot A Plan VIP81958 except Part in Plan EPP42751
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV90987
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Easement FB126994 over Lot B, Plan VIP81135 Except part in Strata Plan VIS6323 (Phase 1)

**Charges, Liens and Interests:**

- Right of Way B72660 registered August 13, 1973 in favour of British Columbia Hydro and Power Authority
- Statutory Right of Way EW61969 registered May 20, 2004 in favour of City of Langford
- Covenant EW61975 registered May 20, 2004 in favour of City of Langford
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Statutory Right of Way FB28070 registered March 26, 2007 in favour of British Columbia Hydro and Power Authority
- Statutory Right of Way FB28071 registered March 26, 2007 in favour of Telus Communications Inc.
- Statutory Right of Way FB420102 registered June 24, 2001 in favour of the City of Langford
- Covenant FB420112 registered June 24, 2011 in favour of the City of Langford
- Easement FB463406 registered October 24, 2012 appurtenant to Lot A, Plan VIP89370
- Covenant CA4047082 registered October 29, 2014 in favour of the City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

10. as to 1296 Bear Mountain Parkway (Parcel Identifier: 027-590-127):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV151152
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV151155
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV48928
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV85847
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV90987
- Easement FA85386 over Lot 2, Plan VIP76365
- Title may be affected by a Permit under Part 26 of the Local Government Act, see FB13320

**Charges, Liens and Interests:**

- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Covenant EW5425 registered January 16, 2004
- Covenant EW5451 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5456 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5459 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5462 registered January 16, 2004 in favour of the City of Langford
- Covenant EW5471 registered January 16, 2004 in favour of the City of Langford
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Easement FA85386 registered July 13, 2006 appurtenant to Lot B, Plan VIP81135
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Easement FB191154 registered July 11, 2008
- Easement FB191155 registered July 11, 2008

- Easement FB191156 registered July 11, 2008
- Statutory Right of Way FB191157 registered July 11, 2008 in favour of Capital Regional District
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

11. as to 1991 Bear Mountain Parkway (Parcel Identifier: 009-858-652):

**Legal Notations:**

- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA6710399
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW107601
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW120076
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258

**Charges, Liens and Interests:**

- Undersurface Rights 203247G registered December 17, 1956 in favour of Oswood G. Macdonald
- Right of Way B72660 registered August 13, 1973 in favour of British Columbia Hydro and Power Authority
- Undersurface Rights ED12879 registered February 1, 1990 in favour of Robert Clyde Smith, executor of the will of Oswood Guy Macdonald
- Undersurface Rights ED12883 registered February 1, 1990 in favour of Auterra International Resources Inc. and Global Hunter Corp.
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford

- Covenant EW5425 registered January 16, 2004
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Statutory Right of Way FB178905 registered June 3, 2008 in favour of Capital Regional District
- Statutory Right of Way FB188854 registered July 3, 2008 in favour of Capital Regional District
- Covenant FB420112 registered June 24, 2011 in favour of the City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

12. as to 1950 Bear Mountain Parkway (Parcel Identifier: 009-853-081):

**Legal Notations:**

- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA6710399
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA9058811
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW120076
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258

**Charges, Liens and Interests:**

- Undersurface Rights 203247G registered December 17, 1956 in favour of Oswood G. Macdonald
- Right of Way A18791 registered February 15, 1972 in favour of British Columbia Hydro and Power Authority

- Exceptions and Reservations ES60836 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Exceptions and Reservations ES60844 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ES60857 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Covenant EW5425 registered January 16, 2004
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Statutory Right of Way FB420102 registered June 24, 2011 in favour of the City of Langford
- Easement FB463406 registered October 24, 2012
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford
- Covenant CA6671337 registered March 9, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230400 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230406 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230414 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230420 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7249557 registered December 13, 2018 in favour of the City of Langford
- Statutory Right of Way CA7262489 registered December 20, 2018 in favour of Capital Regional District
- Statutory Right of Way CA7279676 registered January 4, 2019 in favour of the City of Langford

13. as to 2105 Players Drive (Parcel Identifier: 026-575-680):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV70972
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW15157
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024

**Charges, Liens and Interests:**

- Undersurface and other Exc & Res EP16337 registered February 29, 2000 in favour of the Crown in right of British Columbia
- Statutory Building Scheme EV78519 registered July 17, 2003
- Statutory Building Scheme EV1554466 registered December 19, 2003
- Covenant FA11741 registered January 25, 2006 in favour of the City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

14. as to 2125 Players Drive (Parcel Identifier: 027-568-849):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV70972

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW15157
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA16252
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB63093
- Easement FB95827 over Lot 4, Plan VIP83700

**Charges, Liens and Interests:**

- Undersurface and other Exc & Res EP16337 registered February 29, 2000 in favour of the Crown in right of British Columbia
- Covenant FB95822 registered September 7, 2007 in favour of the City of Langford
- Rent Charge FB95823 registered September 7, 2007 in favour of the City of Langford
- Easement FB190866 registered July 10, 2008 appurtenant to Lot B, Plan VIP85310
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

15. as to 2121 Players Drive (Parcel Identifier: 027-568-857):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV70972
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW127709
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW136595
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW15157

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA16252
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FA64258
- Easement FB190866 over Lot A, Plan VIP85310
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB63093
- Easement FB95827 over Lot 4, Plan VIP83700

**Charges, Liens and Interests:**

- Undersurface and other Exc & Res EP16337 registered February 29, 2000 in favour of the Crown in right of British Columbia
- Covenant FB95822 registered September 7, 2007 in favour of the City of Langford
- Rent Charge FB95823 registered September 7, 2007 in favour of the City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

16. as to Parcel Identifier: 024-672-092, Lot A Section 4 Range 4W Highland District Plan VIP70021 (see Plan as to Limited Access) except that Part in Plan VIP75586:

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the Municipal Act, see EN95646
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW6099
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX94242

**Charges, Liens and Interests:**

- Right of Way 410140G registered December 22, 1970 in favour of British Columbia Hydro and Power Authority
- Covenant EP1783 registered January 7, 2000 in favour of District of Highlands
- Covenant EV83607 registered July 29, 2003 in favour of District of Highlands
- Covenant EX126687 registered October 4, 2005 in favour of District of Highland
- Modification CA4490170 registered June 25, 2015

17. as to Parcel Identifier: 009-861-831, Section 12 Highland District except Parts in Plans 10853,11134 and 45402:

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET136958
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX25447
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX94242
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB481949

**Charges, Liens and Interests:**

- Right of Way B72660 registered August 13, 1973 in favour of British Columbia Hydro and Power Authority
- Covenant EX126687 registered October 4, 2005 in favour of District of Highland
- Modification CA4490170 registered June 25, 2015

18. as to Parcel Identifier: 009-861-815, Section 5 Range 4 West Highland District except Part in Plans VIP60675, VIP67875 and VIP75584:

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ES63268
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ES95026
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET106224
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET130135
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET136958
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET73670
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV83546
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX25447
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX94242
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB294002
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB481949
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see WX2116923

**Charges, Liens and Interests:**

- Right of Way B72660 registered August 13, 1973 in favour of British Columbia Hydro and Power Authority
- Statutory Building Scheme EJ16134 registered February 9, 1995
- Easement EN22698 registered March 17, 1999
- Covenant ES60261 registered July 23, 2001 in favour of District of Highlands
- Covenant ES60857 registered July 24, 2001 in favour of the Crown in right of British Columbia
- Easement EV83585 registered July 29, 2003
- Covenant EX126687 registered October 4, 2005 in favour of District of Highland
- Statutory Right of Way FB371564 registered September 10, 2010 in favour of the City of Langford
- Statutory Right of Way FB414708 registered May 19, 2011 in favour of British Columbia Hydro and Power Authority
- Statutory Right of Way FB414709 registered May 19, 2011 in favour of Telus Communications Inc.
- Modification CA4490170 registered June 25, 2015

19. as to Parcel Identifier: 009-861-823, The South 60 Acres of Section 6 Range 4 West Highland District except Part in Plan VIP67875:

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET136958
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX25447
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX94242

**Charges, Liens and Interests:**

- Right of Way B72660 registered August 13, 1973 in favour of British Columbia Hydro and Power Authority
- Covenant EX126687 registered October 4, 2005 in favour of District of Highland
- Modification CA4490170 registered June 25, 2015

20. as to 1500 Hannington Road (Parcel Identifier: 009-861-866):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET130135
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET136958
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV113982
- Easement EV147587 over part of Lot 38 Plan VIP76197 in Plan VIP76200
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV22729
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX25447
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX94242
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB294002
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB317905, amended by FB324104
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB481949
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see WX2116924

**Charges, Liens and Interests:**

- Covenant ES60857 registered July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant EW5454 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW106878 registered August 11, 2004 in favour of the City of Langford
- Covenant EX126687 registered October 4, 2005 in favour of District of Highland
- Statutory Right of Way FB371564 registered September 10, 2010 in favour of the City of Langford
- Statutory Right of Way FB414708 registered May 19, 2011 in favour of British Columbia Hydro and Power Authority
- Statutory Right of Way FB414709 registered May 19, 2011 in favour of Telus Communications Inc.
- Modification CA4490170 registered June 25, 2015

21. as to Parcel Identifier: 025-088-092, Block B Section 75 Land District 24:

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX25447

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX94242

**Charges, Liens and Interests:**

- Exceptions and Reservations ES60856 registered July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ES60857 registered July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant EX126687 registered October 4, 2005 in favour of District of Highland
- Modification CA4490170 registered June 25, 2015

22. as to Parcel Identifier: 005-438-187, Lot 24, Section 17, Highland District Plan 4128 Except Part in Plan 45401:

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX25447
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EX94242

**Charges, Liens and Interests:**

- Right of Way B2267 registered November 27, 1972 in favour of British Columbia Hydro and Power Authority
- Covenant EX126687 registered October 4, 2005 in favour of District of Highlands
- Modification CA4490170 registered June 25, 2015

23. as to 2133 Champions Way (Parcel Identifier: 025-695-126):

**Legal Notations:**

- Easement CA4047091 over Part of Lots 14, 15, 17, 18, Plan EPP42751 shown on Plan EPP43389, modified by CA4251950 on February 26, 2015
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4348220
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4412262
- Easement CA4443182 over Lots 30 and 31, Plan EPP46993 as shown on Plan EPP46995
- Easement CA4443206 over Lots 32, 33 and 34, Plan EPP46993 as shown on Plan EPP50843
- Easement CA6993685 over part of Lot 18 Plan EPP42751 shown on Plan EPP83743
- Easement CA8830258 over Lot A Plan VIP81958 except part in Plan EPP42751

- Easement CA8830259 over Lot A Plan VIP81958 except part in Plan EPP42751
- Restrictive Covenant CA8830260 over Lot A Plan VIP81958 except part in Plan EPP42751
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Restrictive Covenant EW151027 over Lots 1 – 25 Plan VIP77878
- Restrictive Covenant EW61980 over Lots 1 – 43 Plan VIP76988
- Restrictive Covenant EW61981 over part of Lots 1 – 6 Plan VIP76988
- Easement EW61982 over part of Lot 9 Plan VIP76988 included in Plan VIP76991
- Easement EW61983 over part of Lot 10 Plan VIP76988 included in Plan VIP76991
- Restrictive Covenant EX57762 over Lots 1 – 36 Plan VIP78873
- Easement EX57763 over that part of Lots 28, Plan VIP78873 shown on Plan VIP 78880
- Restrictive Covenant EX72376 over part of Lots 1 and 2, Plan VIP76365 and Lot 1, Plan VIP75509 except part in Plan VIP76365
- Easement FA131180 over strata lot 13, strata plan VIS6137 as shown on Plan VIP82046
- Easement FA85382 over that part of Lot A, Plan VIP81135 shown on Plan VIP81357
- Easement FA85383 over that part of Lot A, Plan VIP81135 shown on Plan VIP81358
- Easement FB191155 over Lot B, Plan VIP85324
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB465586
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see FB482332
- Easement FB74242 over Lot B Plan VIP81135 as shown on Plan VIP83443

**Charges, Liens and Interests:**

- Undersurface Rights 203247G registered December 17, 1956 in favour of Oswood G. Macdonald
- Right of Way A18791 registered February 15, 1972 in favour of British Columbia Hydro and Power Authority

- Right of Way B72660 registered August 13, 1973 in favour of British Columbia Hydro and Power Authority
- Undersurface Rights ED12879 registered February 1, 1990 in favour of Robert Clyde Smith, executor of the will of Oswood Guy Macdonald
- Undersurface Rights ED12883 registered February 1, 1990 in favour of Auterra International Resources Inc. and Global Hunter Corp.
- Exceptions and Reservations ES60836 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Exceptions and Reservations ES60844 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Statutory Right of Way EV78530 registered July 17, 2003 in favour of District of Langford
- Covenant EW5425 registered January 16, 2004
- Covenant EW5436 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5465 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW154228 registered November 18, 2004 in favour of British Columbia Hydro and Power Authority
- Statutory Right of Way EW154229 registered November 18, 2004 in favour of the Telus Communications Inc.
- Statutory Right of Way EX57764 registered May 20, 2005 in favour of the City of Langford, modified by CA4047073
- Statutory Right of Way EX57766 registered May 20, 2005 in favour of Capital Regional District
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Statutory Right of Way FB420102 registered June 24, 2001 in favour of the City of Langford
- Easement FB463406 registered October 24, 2012 appurtenant to Lot A, Plan VIP89370
- Statutory Right of Way CA4443193 registered June 4, 2015 in favour of the City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

- Covenant CA6671337 registered March 9, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230392 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230403 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230417 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230423 registered December 4, 2018 in favour of the City of Langford

24. as to Parcel Identifier: 025-838-466, Air Space Lot A District Lot 82 Highland District Air Space Plan VIP76364:

**Legal Notations:**

- Easement CA8830258 over Lot A, Plan VIP81958 except part in Plan EPP42751
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV151152
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV151155
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV48928
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV85847
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV90987

**Charges, Liens and Interests:**

- Right of Way B72660 registered August 13, 1973 in favour of British Columbia Hydro and Power Authority
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Covenant EW5425 registered January 16, 2004

- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford

25. as to 1270 Bear Mountain Parkway (Parcel Identifier: 025-695-118):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4716085
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5356029
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5383703
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5404171
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5640467
- Restrictive Covenant CA6788826 over part of Lot 28 Plan EPP63084 except part in strata plan EPS4577 (Phase 1) shown in Plan EPP81502
- Easement CA7142605 over parts of Lot 29 Plan EPP63084 Except strata plan EPS5110 (Phase 1) and part of the common property, strata plan EPS5110 shown on Plan EPP85478
- Easement CA7249559 over lots 14 and 15 Plan EPP85219, as shown as Areas 4 and 5 on Plan EPP85220
- Restrictive Covenant CA8830260 over Lot A Plan VIP81958 except part in plan EPP42751
- Easement CA9329709 over Lot 25 Plan EPP63084
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV48928
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Restrictive Covenant EX72379 over Lot A Plan VIP79028

- Easement EX72380 over part of Lot A, Plan VIP79028 shown on Plan VIP79029
- Easement FB191153 over Lot C, Plan VIP85324 shown on Plan VIP85326
- Easement FB191154 over Lot B, Plan VIP85324 shown on Plan VIP85327
- Easement FB226922 over that part of the common property of Strata Plan VIS6701 shown on Plan VIP85914
- Restrictive Covenant FB231104 over Strata Lots 1 – 31, Strata Plan VIS6714
- Restrictive Covenant FB27405 over part of Lot A Plan VIP82848 shown on Plan VIP82849
- Easement FB27406 over part of Lot A, Plan VIP82848 shown on Plan VIP82849

**Charges, Liens and Interests:**

- Right of Way B72660 registered August 13, 1973 in favour of British Columbia Hydro and Power Authority
- Exceptions and Reservations ES60836 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Exceptions and Reservations ES60844 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Statutory Right of Way EV78530 registered July 17, 2003 in favour of District of Langford
- Covenant EW5425 registered January 16, 2004
- Covenant EW5436 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5465 registered January 16, 2004 in favour of the City of Langford
- Restrictive Covenant EX72376 registered June 16, 2005
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Statutory Right of Way FB27418 registered March 23, 2007 in favour of the City of Langford
- Statutory Right of Way FB226917 registered November 4, 2008 in favour of the City of Langford

- Statutory Right of Way FB420102 registered June 24, 2011 in favour of the City of Langford
- Easement FB463406 registered October 24, 2012 appurtenant to Lot A, Plan VIP89370
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford
- Covenant CA6671337 registered March 9, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230397 registered December 4, 2018 in favour of the City of Langford
- Statutory Right of Way CA7230409 registered December 4, 2018 in favour of the City of Langford
- Easement CA7385619 registered March 8, 2019 appurtenant to Lot A, Plan EPP70640
- Covenant CA7385620 registered March 8, 2019 in favour of BM Mountain Golf Course Ltd.
- Statutory Right of Way CA7385626 registered March 8, 2019 in favour of Capital Regional District
- Statutory Right of Way CA7385629 registered March 8, 2019 in favour of the City of Langford

26. as to 2030 Pebble Drive (Parcel Identifier: 029-938-490):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4716085
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5356029
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5383703
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5404171
- Phased Strata Plan Declaration (Form P) CA7142591, filed October 22, 2018
- Easement CA7142607 over the common property, Strata Plan EPS5110 (PH. 1)
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV48928

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Restrictive Covenant EX72379 over Lot A Plan VIP79028
- Easement EX72380 over part of Lot A, Plan VIP79028 shown on Plan VIP79029
- Easement FB191153 over Lot C, Plan VIP85324 shown on Plan VIP85326
- Easement FB191154 over Lot B, Plan VIP85324 shown on Plan VIP85327
- Easement FB226922 over that part of the common property of Strata Plan VIS6701 shown on Plan VIP85914
- Restrictive Covenant FB231104 over Strata Lots 1 – 31, Strata Plan VIS6714
- Restrictive Covenant FB27405 over part of Lot A Plan VIP82848 shown on Plan VIP82849
- Easement FB27406 over part of Lot A, Plan VIP82848 shown on Plan VIP82849

**Charges, Liens and Interests:**

- Exceptions and Reservations ES60836 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Exceptions and Reservations ES60844 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Statutory Right of Way EV78530 registered July 17, 2003 in favour of District of Langford
- Covenant EW5425 registered January 16, 2004
- Covenant EW5436 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5465 registered January 16, 2004 in favour of the City of Langford
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Covenant CA5455798 registered August 26, 2016 in favour of the City of Langford
- Covenant CA5455808 registered August 26, 2016 in favour of the City of Langford
- Covenant CA5455813 registered August 26, 2016 in favour of the City of Langford

- Rent Charge FB504502 registered September 22, 2016 in favour of City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford
- Statutory Right of Way CA5853419 registered March 3, 2017 in favour of British Columbia Hydro and Power Authority
- Statutory Right of Way CA5853420 registered March 3, 2017 in favour of Telus Communications Inc.
- Statutory Right of Way CA5950249 registered April 25, 2017 in favour of FortisBC Energy Inc.
- Covenant CA7142603 registered October 22, 2018 in favour of the City of Langford
- Easement CA7142605 registered October 22, 2018
- Easement CA7142611 registered October 22, 2018

27. as to #126 – 2030 Pebble Drive (Parcel Identifier: 030-616-956):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4716085
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5356029
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5383703
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5404171
- Phased Strata Plan Declaration (Form P) CA7142591, filed October 22, 2018
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV48928
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Restrictive Covenant EX72379 over Lot A Plan VIP79028
- Easement EX72380 over part of Lot A, Plan VIP79028 shown on Plan VIP79029
- Easement FB191153 over Lot C, Plan VIP85324 shown on Plan VIP85326

- Easement FB191154 over Lot B, Plan VIP85324 shown on Plan VIP85327
- Easement FB226922 over that part of the common property of Strata Plan VIS6701 shown on Plan VIP85914
- Restrictive Covenant FB231104 over Strata Lots 1 – 31, Strata Plan VIS6714
- Restrictive Covenant FB27405 over part of Lot A Plan VIP82848 shown on Plan VIP82849
- Easement FB27406 over part of Lot A, Plan VIP82848 shown on Plan VIP82849

**Charges, Liens and Interests:**

- Exceptions and Reservations ES60836 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Exceptions and Reservations ES60844 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Statutory Right of Way EV78530 registered July 17, 2003 in favour of District of Langford
- Covenant EW5425 registered January 16, 2004
- Covenant EW5436 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5465 registered January 16, 2004 in favour of the City of Langford
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Covenant CA5455798 registered August 26, 2016 in favour of the City of Langford
- Covenant CA5455808 registered August 26, 2016 in favour of the City of Langford
- Covenant CA5455813 registered August 26, 2016 in favour of the City of Langford
- Rent Charge FB504502 registered September 22, 2016 in favour of City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford
- Statutory Right of Way CA5853419 registered March 3, 2017 in favour of British Columbia Hydro and Power Authority

- Statutory Right of Way CA5853420 registered March 3, 2017 in favour of Telus Communications Inc.
- Statutory Right of Way CA5950249 registered April 25, 2017 in favour of FortisBC Energy Inc.
- Covenant CA7142603 registered October 22, 2018 in favour of the City of Langford

28. as to #128 – 2030 Pebble Drive (Parcel Identifier: 030-616-948):

**Legal Notations:**

- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see CA4716085
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5356029
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5383703
- Title may be affected by a Permit under Part 14 of the *Local Government Act*, see CA5404171
- Phased Strata Plan Declaration (Form P) CA7142591, filed October 22, 2018
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET137876
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET38059
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET91149
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see ET96734
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EV48928
- Title may be affected by a Permit under Part 26 of the *Local Government Act*, see EW40024
- Restrictive Covenant EX72379 over Lot A Plan VIP79028
- Easement EX72380 over part of Lot A, Plan VIP79028 shown on Plan VIP79029
- Easement FB191153 over Lot C, Plan VIP85324 shown on Plan VIP85326
- Easement FB191154 over Lot B, Plan VIP85324 shown on Plan VIP85327
- Easement FB226922 over that part of the common property of Strata Plan VIS6701 shown on Plan VIP85914
- Restrictive Covenant FB231104 over Strata Lots 1 – 31, Strata Plan VIS6714
- Restrictive Covenant FB27405 over part of Lot A Plan VIP82848 shown on Plan VIP82849
- Easement FB27406 over part of Lot A, Plan VIP82848 shown on Plan VIP82849

**Charges, Liens and Interests:**

- Exceptions and Reservations ES60836 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Exceptions and Reservations ES60844 registered on July 24, 2001 in favour of the Crown in right of British Columbia
- Covenant ET65734 registered June 12, 2002 in favour of the District of Langford
- Statutory Right of Way EV78530 registered July 17, 2003 in favour of District of Langford
- Covenant EW5425 registered January 16, 2004
- Covenant EW5436 registered January 16, 2004 in favour of the City of Langford
- Statutory Right of Way EW5465 registered January 16, 2004 in favour of the City of Langford
- Covenant EX93625 registered July 28, 2005 in favour of the City of Langford, as modified by CA5974571, CA5974580 and CA5974590
- Covenant FA124596 registered October 16, 2006 in favour of the City of Langford, as modified by CA5974572, CA5974581 and CA5974591
- Covenant CA5455798 registered August 26, 2016 in favour of the City of Langford
- Covenant CA5455808 registered August 26, 2016 in favour of the City of Langford
- Covenant CA5455813 registered August 26, 2016 in favour of the City of Langford
- Rent Charge FB504502 registered September 22, 2016 in favour of City of Langford
- Covenant CA5805232 registered February 3, 2017 in favour of the City of Langford
- Statutory Right of Way CA5853419 registered March 3, 2017 in favour of British Columbia Hydro and Power Authority
- Statutory Right of Way CA5853420 registered March 3, 2017 in favour of Telus Communications Inc.
- Statutory Right of Way CA5950249 registered April 25, 2017 in favour of FortisBC Energy Inc.
- Covenant CA7142603 registered October 22, 2018 in favour of the City of Langford

**Appendix B**  
**Limited Liability Partnership Agreement dated September 24, 2013**

**THIS LIMITED LIABILITY PARTNERSHIP AGREEMENT** is dated September 24, 2013.

**599315 B.C. LTD.**

(“Danco”)

AND:

**SANOVEST HOLDINGS LTD.**

(“Sanco”)

AND:

**ECOASIS BEAR MOUNTAIN DEVELOPMENTS LTD.**

(“EBMD”)

AND:

Each Person who is admitted to the **ECOASIS DEVELOPMENTS LLP** as a limited liability partner whether as a subscriber for, or by succession to or as an assignee of, a limited liability partnership interest.

## **BACKGROUND**

- A. Pursuant to the terms of a Purchase and Sale Agreement (the “Purchase Agreement”) dated August 29, 2013 between Bear Mountain Land Holdings Ltd, as vendor, and Ecoasis Innovative Communities Ltd. (being an Affiliate of EBMD), as purchaser, Ecoasis Innovative Communities Ltd has contracted to acquire certain assets comprising the Bear Mountain Resort near Victoria, British Columbia including without limitation:
  1. the two golf courses located at Bear Mountain known as the “Mountain Course” and the “Valley Course” together with the driving range and practice facility associated therewith (the “Golf Courses”);
  2. the 156 room hotel located at Bear Mountain operated under the name “Westin Bear Mountain Golf Resort and Spa” (the “Hotel”); and
  3. certain Lands (defined below).
- B. Danco, Sanco and EBMD have each agreed to become limited liability partners in a limited liability partnership (hereinafter called the “Partnership” or the “LLP”) under the *Partnership Act* (British Columbia) for the purposes of:

1. acquiring, improving, developing, constructing, financing, selling, operating, maintaining and managing the Lands and carrying out any other activities or undertakings related thereto;
2. acquiring and maintaining a limited liability partnership interest in Ecoasis Resort and Golf LLP which shall acquire the assets comprising the Golf Courses and the Hotel and carry on the business of the Golf Courses and the Hotel; and
3. carrying out any other activities or undertakings that are determined to be part of the Business (defined below).

C. It is considered necessary and desirable to enter into this Agreement to set out the terms and conditions upon which the Partnership is being formed.

## **AGREEMENTS**

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

### **ARTICLE 1 INTERPRETATION**

#### **1.1 Definitions**

In this Agreement, except as otherwise expressly provided or as the context otherwise requires:

“**Accountant**” means an individual or a firm who is appointed from time to time as the accountants for the Partnership;

“**Actual Operating Expenses**” means, for any period, the amount paid or payable by the Partnership on account of expenses reasonably and properly incurred during such period in the operation of the Business of the Partnership, the management and operation of the Partnership Property and the operation and administration of the Partnership including, without limitation, rents and other lease payments, salaries, consulting fees, interest expense, bank charges, the payment of applicable taxes, reporting fees and other fees payable under the Partnership Agreement, accounting, audit, legal and other professional fees and any payments of a non-capital nature, determined in accordance with generally accepted accounting principles, required to be made in respect of the Partnership Property, excluding amortization of deferred charges, depreciation or capital cost allowance;

“**Affiliate**”, in describing the relationship between two Persons, means that:

- (a) one of them is an affiliate, an associate, or an associate of an affiliate of the other, as those terms are defined in the *Securities Act* (British Columbia);
- (b) one is a director or senior officer as defined in the *Securities Act* (British Columbia) of the other or of an affiliate of the other; or

(c) one does not deal at arm's length with the other;

**"Affiliated Entity"** means an Affiliate of a Partner;

**"Agreement"** or **"Partnership Agreement"** means this agreement of limited liability partnership as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the provisions hereof;

**"Business"** or **"Business of the Partnership"** means the business described in section 2.3;

**"Capital Account"** means an account established on the books of the Partnership pursuant to section 10.1;

**"Capitalized Interest Costs"** means interest costs that are incurred by individual Partners in connection with their investment in the Partnership, including their acquisition of an interest in the Partnership, and which are not deductible by them pursuant to the provisions of the *Tax Act* and which are taken into account by the Partnership in accordance with the provisions of the *Tax Act* as a capitalized development cost for income tax purposes;

**"Class A Unit"** means an undivided interest in the Partnership designated as a "Class A Unit" and having attached thereto the rights, benefits, obligations and restrictions set forth in this Agreement;

**"Class B Unit"** means an undivided interest in the Partnership designated as a "Class B Unit" and having attached thereto the rights, benefits, obligations and restrictions set forth in this Agreement;

**"Class C Unit"** means an undivided interest in the Partnership designated as a "Class C Unit" and having attached thereto the rights, benefits, obligations and restrictions set forth in this Agreement;

**"Corporations Act"** means the *Business Corporations Act* (British Columbia), as amended from time to time;

**"Declarations of Trust"** means the declarations of bare trust agreement to be entered into between the Partnership and each of the applicable Nominees in respect of the Lands pursuant to which each Nominee acknowledges and agrees that it holds its interest in the Lands as bare trustee for and on behalf of, and for the benefit of, the Partnership;

**"Defaulting Partner"** means a Partner that is in default pursuant to section 17.1;

**"Distributable Cash"** means, for any period:

(a) the aggregate of;

(i) Extraordinary Net Cash Receipts received by the Partnership; and

- (ii) Revenue earned by the Partnership;  
during such period; less
- (b) the aggregate of:
  - (i) Actual Operating Expenses and capital expenditures incurred by the Partnership during such period; and
  - (ii) Reserves as determined by the Managing Partner for the period;

“**Dollars**” or “\$” means Canadian dollars;

“**Extraordinary Net Cash Receipts**” means, collectively, Net Proceeds from Sale and Net Proceeds from Financing;

“**Extraordinary Resolution**” means:

- (c) a resolution passed by not less than 76% of the aggregate number of votes cast by those Partners who, being entitled to do so at that time, vote in person or by proxy at a duly convened meeting of Partners, or any adjournment thereof, called in accordance with this Agreement; or
- (d) a written resolution in one or more counterparts consented to in writing by Partners holding, in the aggregate, not less than 76% of the aggregate number of votes attaching to Units held by those Partners entitled to vote at that time;

“**Financing**” means any renewal, extension or increase of any financing or refinancing by the Partnership, except short-term ordinary course borrowings, which may be secured by guarantees and the assets and undertaking of the Partnership, including the Sanovest Loan;

“**Fiscal Year**” will mean the fiscal year of the Partnership for tax and financial reporting purposes; each Fiscal Year will end on December 31st;

“**Holder**”, at any time, means in respect of a Unit the Person who is shown on the Register as the holder of the Unit at that time;

“**Lands**” means the lands and premises located at Bear Mountain specifically described in Schedule C together with such other lands as may be acquired by the Partnership with the prior approval of the Partners by Extraordinary Resolution;

“**Managing Partner**” means the managing partner of the Partnership from time to time;

“**Net Income**” and “**Net Loss**” mean, for any period, the net income or loss of the Partnership for the period determined in accordance with generally accepted accounting

principles as applied in Canada and, for the purposes of clarity, includes any gain or loss derived or sustained by the Partnership from any disposition of any capital property of the Partnership;

**“Net Proceeds from Financing”** means, in respect of any Financing, all receipts from the Financing after deducting any amount paid to discharge or pay down mortgages or other encumbrances, if any, on the Partnership Property, and all other amounts required to be paid out of such receipts together with the costs and expenses associated with the Financing, all as determined by the Managing Partner;

**“Net Proceeds from Sale”** means all receipts of the Partnership arising from a Sale, less the amount required to discharge encumbrances on the Partnership Property sold, if any, the amount required to pay the costs and expenses of the Sale and the amounts necessary for the payment of all other debts and obligations of the Partnership intended or required to be paid out of such receipts, all as determined by the Managing Partner;

**“Nominees”** means the registered owner of the Lands including those Persons identified in Schedule D;

**“Ordinary Resolution”** means:

- (a) a resolution passed by not less than 51% of the aggregate number of votes cast by those Partners who, being entitled to do so at that time, vote in person or by proxy at a duly convened meeting of Partners, or any adjournment thereof, called in accordance with this Agreement; or
- (b) a written resolution in one or more counterparts consented to in writing by Partners holding, in the aggregate, not less than 51% of the aggregate number of votes attaching to Units held by those Partners entitled to vote at that time;

**“Partner”** means Danco, Sanco, EBMD and each Person who is admitted to the Partnership as a subscriber for, or by succession to, or as an assignee of, a Unit;

**“Partner Loan”** means a loan made by a Partner to the Partnership in accordance with the provisions of section 10.10;

**“Partnership”** means the limited liability partnership created pursuant to the *Partnership Act* and this Agreement;

**“Partnership Act”** means the *Partnership Act* (British Columbia), as amended from time to time;

**“Partnership Property”** means all real and personal property acquired, held, constructed or developed from time to time by the Partnership including the Property;

**“Person”** means an individual, a corporation including a bank, a body corporate, partnership, joint venture, association, trust or unincorporated organization or a trustee, executor, administrator or other legal representative;

**“Property”** means collectively the Lands together with all improvements located thereon, all present and future leases and other agreements and choses-in action which may be entered into or owned in connection with the Lands, and all revenues and other advantages derived from any of the foregoing and all plans, permits, deposits, accounting records, letters of credit, refunds, rebates, contracts, licenses, and personal property in relation to or in any way connected to the Lands;

**“Purchase Agreement”** has the meaning set out in Recital A;

**“Register”** means the register maintained pursuant to section 9.3;

**“Registrar”** means such Person as is for the time being engaged by the Managing Partner on behalf of the Partnership pursuant to section 9.1;

**“Registration Statement”** means the Registration Statement filed under the *Partnership Act* establishing the Partnership as a limited liability partnership, as amended from time to time;

**“Reserves”** means reserves which in the opinion of the Managing Partner are necessary or advisable, having regard to the current and anticipated cash resources and requirements of the Partnership:

- (a) in order to provide for the orderly payment of obligations owing, to become owing or anticipated to be incurred by the Partnership; or
- (b) to comply with any commitments as to the financial condition of the Partnership as contained in any loan agreement, trust deed or other security providing for or securing financial accommodation to the Partnership; or
- (c) to permit the Partnership to make any capital expenditures which the Managing Partner, in its sole discretion, deems to be necessary or advisable in connection with the Business of the Partnership;

**“Revenue”** means, for any period, the aggregate amounts received by the Partnership during such period from all sources from the operation of the Business of the Partnership, including interest income received with respect to any monies held by the Partnership, but excluding funds received by way of loan, Extraordinary Net Cash Receipts and amounts received by the Partnership as capital contributions by Partners;

**“Sale”** means the sale by the Partnership of some or all of the Partnership Property that is capital property, the receipt by the Partnership of compensation for the expropriation of or injurious affection to such Partnership Property or any part thereof or interest therein, and the recovery by the Partnership of damage awards or insurance proceeds (other than business or rental interruption insurance proceeds) in respect thereof, and for greater certainty does not include Revenue from the sale of Partnership Property (including land) that is inventory of the Partnership;

**“Sanovest Loan”** means the mortgage loan in the principal sum of CDN\$35,000,000 made by Sanco to the Partnership charging the Lands;

**“Subscription Price”** means, in respect of a Unit, the amount to be contributed to the capital of the Partnership as consideration for the issue of that Unit, as determined under sections 6.2 and 6.3;

**“Tax Act”** means the *Income Tax Act* (Canada), as from time to time amended;

**“Tax Income”** and **“Tax Loss”** means, in respect of any period, income or loss for such period, including any taxable capital gain or allowable capital loss, determined in accordance with the *Tax Act* and any other applicable taxation legislation;

**“Units”** mean the Class A Unit, Class B Units and Class C Units and any additional undivided interests in the Partnership designated as “Units” which are created and authorized for issuance by Extraordinary Resolution in accordance with section 5.1 and **Unit** means any of the Class A Unit, Class B Units and Class C Units or such additional undivided interests in the Partnership; and

**“Unit Certificate”** means a certificate evidencing ownership by a Holder of a Unit or Units in the form set out in Schedule A or such other form as is approved by Ordinary Resolution.

## **1.2 Meaning of Pro Rata**

Unless otherwise indicated in this Agreement, the term “pro rata”, when used in this Agreement, means on a proportionate basis based on a fraction whose numerator equals the number of Class B Units or Class C Units held by a Partner and the denominator of which equals the total number of issued and outstanding Class B Units and Class C Units.

## **1.3 Construction**

For all purposes of this Agreement, except as otherwise expressly provided or as the context otherwise requires:

- (a) the headings of this Agreement will be considered as provided for convenience only and as not forming a part of this Agreement and will not be used to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;
- (b) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (c) accounting terms not otherwise defined have the meanings assigned to them in accordance with generally accepted accounting principles;

- (d) a reference to currency means Canadian currency;
- (e) a reference to a statute includes every regulation made pursuant thereto, all amendments to the statute or to any such regulation in force from time to time, and any statute or regulation which supplements or supersedes such statute or any such regulation;
- (f) a reference to an entity includes any entity that is a successor to such entity;
- (g) Persons are deemed not to be dealing “at arm’s length” with one another if they would not be dealing at arm’s length for the purposes of the *Tax Act*, and
- (h) words importing the masculine gender include the feminine or neuter and words in the singular include the plural and vice versa.

## 1.4 Severability

Each provision of this Agreement is intended to be severable, and if any provision is illegal or invalid this will not affect the validity of the remainder.

## 1.5 Governing Law

This Agreement and its application and interpretation will be governed exclusively by the laws prevailing in British Columbia, Canada and each Partner irrevocably attorns to the jurisdiction of the Courts of that province for the determination of all issues as to the status, rights or obligations of any Person or of a Partner.

## 1.6 Strict Performance of Covenants

Time is of the essence of the performance of every obligation under this Agreement and no failure or lack of diligence by any party in proclaiming or seeking redress for any violation of, or insisting on strict performance of, any provision of this Agreement will prevent a subsequent violation of that provision, or of any other provision, from giving rise to any remedy that would be available if it were an original violation of that provision or other provision.

## 1.7 Schedules

The schedules attached hereto are hereby incorporated into this Agreement and form a part hereof. All terms defined in this Agreement shall have the same meaning in such schedules. The schedules to this Agreement are as follows:

- Schedule A - Form of Unit Certificate
- Schedule B - Assignment and Power of Attorney Form
- Schedule C - Lands
- Schedule D - Nominees

## **ARTICLE 2** **BUSINESS OF PARTNERSHIP**

### **2.1 Managing Partner**

Subject to any change, resignation or removal of the Managing Partner pursuant to the provisions hereof, the Managing Partner shall be EBMD.

### **2.2 Formation of Partnership**

Each of the Partners acknowledges that they shall carry on the Business in common together with every other Partner in accordance with the terms and provisions of this Agreement. Each Partner authorizes the Managing Partner to prepare, complete and file the Registration Statement, or any amendment thereto, to do all things and to execute and deliver all such documents, instruments and assurances which may be necessary to create, qualify, continue and keep the Partnership in good standing as a limited liability partnership under the laws of British Columbia and any other jurisdiction in which the Partnership may hold property or carry on business.

### **2.3 Nature of Business**

The business of the Partnership shall be to:

- (a) acquire and maintain a limited liability partnership interest in Ecoasis Resort and Golf LLP which shall own and operate the Golf Courses and the Hotel;
- (b) acquire, improve, develop, construct, finance, sell, operate, maintain and manage the Property and any activity or undertaking related thereto, to directly or indirectly acquire, hold, develop, construct, invest in, market and sell real property and other assets and undertake other activities or businesses which are ancillary or incidental to or in furtherance of any aspect of the operation or development of the Property, or
- (c) the direct or indirect acquisition, holding, construction, development, investment in, marketing and sale of real property or other assets and to carry on any other business approved by Extraordinary Resolution of the Partners.

The Partnership shall have the power to do any and every act and thing necessary, proper, convenient or complementary to the accomplishment of its business and purposes including, without limitation, acquiring, owning or disposing of mortgages, partnership interests, shares or other securities.

### **2.4 Name of Partnership**

The name of the Partnership is "**ECOASIS DEVELOPMENTS LLP**".

## 2.5 Exclusion of Other Business

The Partnership will not carry on business other than the Business specified in section 2.3.

## 2.6 Agent for Service

The offices of the Partnership will be at 3480 Ripon Road, Victoria, BC V8R 6H2, or such other location or locations as may from time to time be determined by the Managing Partner and designated in a notice in writing to the Partners and the registered office and the agent of the Partnership for service of process in British Columbia will be at 228 West 5<sup>th</sup> Avenue, Vancouver BC V5Y 1J4 or such other location or locations as may from time to time be determined by the Managing Partner and designated in a notice in writing to the Partners.

## ARTICLE 3 RELATIONSHIP BETWEEN PARTNERS

### 3.1 Status and Capacity of Managing Partner

The Managing Partner represents and warrants to and covenants with each other Partner that the Managing Partner:

- (a) is and will continue to be a valid and subsisting company under the laws of British Columbia or such other jurisdiction under which the Managing Partner may be continued or under which a successor to the Managing Partner may be incorporated or continued;
- (b) has and will continue to have the capacity and qualification to act as a Managing Partner and to perform its obligations under this Agreement without conflicting with its articles or other constating documents or being in default under any agreement by which it is bound; and
- (c) is a resident of Canada for the purposes of the *Tax Act*.

### 3.2 Status and Capacity of Partners

Each Partner represents and warrants to and covenants with each other Partner that such Partner has and will have the capacity and competence to enter into and be bound by this Agreement and will provide such evidence as the Managing Partner reasonably requires of such capacity and competence. Each Partner represents and warrants that it is a resident of Canada for the purposes of the *Tax Act*.

### 3.3 Limitation on Authority of Partners

No Partner except the Managing Partner will:

(a) except with the approval of the Managing Partner, be or purport to be entitled to make any commitment on behalf of or otherwise obligate or bind the Partnership;

- (b) otherwise than by voting on a resolution of the Partners, be or purport to be entitled, as such, to make any commitment on behalf of or otherwise obligate or bind any other Partner; or
- (c) be capable of being party to any litigation involving a claim by or against the Partnership other than in respect of its rights and obligations as a Partner.

### **3.4        Restrictions on Partners**

Except as expressly provided for in this Agreement, no Partner will:

- (a) file or record, or permit to be or remain filed or recorded, against any property of the Partnership, any lien, caveat or charge in respect of its interest in the Partnership; or
- (b) seek to compel a partition or sale, judicial or otherwise, of any property of the Partnership or otherwise require any property of the Partnership to be distributed to any Partner in kind.

### **3.5        Managing Partner as Attorney**

Each Partner, and each Person who is a transferee of a Unit and assignee of the interest as Partner of the Holder of a Unit, hereby irrevocably nominates, constitutes and appoints the Managing Partner, with full power of substitution, as its agent and true and lawful attorney to act on its behalf with full power and authority in its name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver and file or record when, as and where required:

- (a) this Agreement, the Register, the Registration Statement, any amendment to this Agreement or the Registration Statement or any other instrument required to qualify, continue or keep the Partnership in good standing as a limited liability partnership in, or otherwise to comply with the law of, any jurisdiction in which the Partnership may carry on business or own property in order to establish or maintain the limited liability of the Partners under such law, including any amendment to the Register or the Registration Statement necessary to reflect any change in the Partners or in the ownership of a Unit;
- (b) any instrument or amendment to the Registration Statement necessary to reflect any amendment authorized by this Agreement;
- (c) any instrument required in connection with the dissolution or termination of the Partnership;
- (d) any instrument, deed, agreement or document executed by the Managing Partner in carrying on the Business of the Partnership as authorized by this Agreement including any agreement, certificate or other document necessary to purchase, sell or hold the Partnership's assets;

- (e) any amendment to the terms of this power of attorney (provided that the terms of such amendment are substantially the same as and to the same effect as any amendment made by the Managing Partner pursuant to section 7.2) that has been approved by Extraordinary Resolution of the Partners;
- (f) all elections, determinations or designations under the *Tax Act* or any taxation or other legislation or similar laws of Canada or of any other jurisdiction with respect to the affairs of the Partnership, or of a Partner's interest in the Partnership, including all elections, determinations or designations under the *Tax Act* or other legislation or similar laws of Canada or of any other jurisdiction with respect to the acquisition, sale or transfer of any of the assets of the Partnership or the distribution of the assets of the Partnership or the dissolution of the Partnership;
- (g) any instrument required to be filed with any governmental body and any document in connection with the Business of the Partnership;
- (h) any documents which may be required to effect the continuation of the Partnership, or the admission of an additional or substitute Partner;
- (i) any document which may be required to effect an amendment to this Agreement to correct any mistake, omission or inconsistency, or to cure any ambiguity herein, to the extent permitted by section 7.3;
- (j) any certificates and agreements relating to borrowings of the Partnership, including but not limited to financing statements, affidavits, transfer documents and mortgages to and on any property or assets of the Partnership, or the undivided interest of the Partner in such property or assets, which the Managing Partner deems necessary, advisable or appropriate so long as they are in conformity with the intent of this Agreement; and
- (k) in the event that the then-current Managing Partner is replaced, the irrevocable appointment to the outgoing Managing Partner shall be extinguished in favour of the incoming Managing Partner.

### **3.6 Execution of Power of Attorney**

Each Partner executing this Agreement acknowledges and agrees to the grant of the power of attorney set forth in section 3.5 and the provisions of sections 3.7 and 3.8 and to evidence the authority conferred on the Managing Partner under section 3.5, every other Person proposing to become a Partner will execute a form of power of attorney containing the powers set forth in section 3.5 and provisions to the effect contained in sections 3.7 and 3.8.

### **3.7 Irrevocability of Power**

The power of attorney granted in section 3.5 or in an instrument referred to in section 3.6 will be irrevocable as a power coupled with an interest, will survive the death, bankruptcy or any subsequent mental infirmity on the part of the Partner or the assignment by the

Partner of all or any part of its interest in the Partnership, extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Partner and may be exercised by the Managing Partner on behalf of the Partner by executing any instrument with a single signature as attorney and agent for the Partner and all of the other Partners.

**3.8 Affirmation of Exercise of Power**

Each Partner will be bound by any action taken by the Managing Partner pursuant to the power of attorney granted in section 3.5 or in an instrument referred to in section 3.6 and waives any and all defences which may be available to contest, negate or disaffirm any action of the Managing Partner taken in good faith and without wilful misconduct or gross negligence under any such power of attorney.

**3.9 Other Activities of Partners**

Subject to the provisions of this Agreement, any Partner may engage in or hold an interest in any other business, venture, investment or activity whether or not similar to or competitive with the Business of the Partnership and will not be liable to account therefor to the Partnership or any Partner.

**3.10 Compliance with Laws**

Each Partner will, on request by the Managing Partner, immediately execute every certificate or other instrument necessary to comply with any law or regulation of any jurisdiction for the continuation and good standing of the Partnership.

**3.11 Change of Status of Partners**

If any Holder of a Unit (or, in the case of a Holder that is a partnership, any partner of the partnership) contemplates becoming a non-resident of Canada for the purposes of the *Tax Act*, then such Holder shall promptly notify the Managing Partner and, if required by the Managing Partner, shall surrender the Unit or Units held by such Holder to the Managing Partner prior to such Holder (or partner, as the case may be) becoming a non-resident of Canada and the Managing Partner shall have the right to sell such Unit or Units pursuant to the provisions of Article 17 as if such Holder were a Defaulting Partner.

**3.12 Notice of Judgment**

Each Partner shall notify the Managing Partner forthwith upon the occurrence of any event or the making of any order, decree or judgment of any court, agency, tribunal or other competent authority which affects or may affect the Partner's title to its Unit or entitlement to distributions in respect of such Unit including, without limitation, any order, decree or judgment vesting in any other Person any interest in such Unit, and the Partner shall indemnify and hold the Managing Partner and the Partnership harmless from and against any claim, damage, loss, cost or expense that either or both may suffer or incur by reason of having, in good faith and without actual notice of such event, paid any amount to the Partner to which any other Person was then entitled by virtue thereof.

## **ARTICLE 4** **LIMITATION OF LIABILITY**

### **4.1 Limited Liability of the Partners**

Subject to the provisions of the *Partnership Act*, the liability of a Partner, for the debts, liabilities and obligations of the Partnership will be limited to the unpaid amount of the Subscription Price in respect of each Unit held by such Partner, and undistributed income, if any, and a Partner will not as such otherwise be liable for any further claim, assessment or contribution to the Partnership save and except as provided in this Agreement or the *Partnership Act*.

### **4.2 Limitation of Liability of Managing Partner**

The Managing Partner will not be liable to a Partner for any loss suffered by the Partner arising out of any act, omission or error in judgment of the Managing Partner other than an act, omission or error in judgment which is in contravention of section 12.7.

## **ARTICLE 5** **UNITS**

### **5.1 Number and Class of Units**

- (a) The interest in the Partnership of the Partners will initially be divided into and represented by one (1) unit designated as a "Class A Unit", an unlimited number of units designated as "Class B Units" and an unlimited number of units designated as "Class C Units" having attached thereto the rights, benefits, obligations and restrictions set forth in this Agreement. No additional Units will be created or issued unless authorized by Extraordinary Resolution.

### **5.2 Nature of Units**

Except as otherwise specifically provided in this Agreement:

- (a) each Partner holding a Unit (including the Managing Partner) will as such have the same rights and obligations as every other Partner holding a Unit; and
- (b) no Partner will, in respect of any Unit held by such Partner, have any preference, priority or right in any circumstance over any other Partner in respect of any Unit held by the other Partner.

### **5.3 No Fractional Units**

A Unit may not be divided or split into fractions and the Partnership will not accept any subscription for, record any assignment of, or otherwise recognize any interest in less than a whole Unit.

## **ARTICLE 6** **ISSUE OF UNITS**

### **6.1 Allotment and Issuance of Units**

The Partnership may raise capital by allotting and issuing Units and the Managing Partner may, subject to the terms and conditions of this Agreement, allot and issue Units at the times, in the manner and to the Persons, or class of Persons, as the Managing Partner determines provided that any additional Units shall first be offered to existing Partners holding Class B Units or Class C Units who shall be entitled to subscribe for additional Units pro rata in accordance with their holdings of Units. If any Partner elects not to subscribe for its full entitlement of Units offered, then the Managing Partner shall offer such Units to the other Partners on a pro rata basis before offering such Units to any other Person.

### **6.2 Subscription Prices**

The following amounts shall be contributed to the capital of the Partnership as consideration for the issuance of the Units:

- (a) for each of the Class A Unit, the Class B Units and the Class C Units the Subscription Price for each Unit shall be \$1.00/unit; and
- (b) if additional Units are created and authorized for issuance by the Partnership in accordance with section 5.1, there shall be contributed to the capital of the Partnership as consideration for the issue of such additional Units such sum or sums as may be specified in the Extraordinary Resolution authorizing the creation and issuance of such additional Units.

### **6.3 Payment of Subscription Price**

The Class A Unit, Class B Units and Class C Units may be issued in consideration for cash contributed to the Partnership or for the acquisition of other property by the Partnership. The Subscription Price for each Unit shall be expressed in terms of money and shall be so recorded in the records of the Partnership. The aggregate of the Subscription Prices for each issuance of Units shall be equal to the cash consideration paid for the Units or, if applicable, the amount by which the aggregate of the amount of debt of the Partnership, if any, assumed by the Holder and the fair market value of the cash and other property acquired by the Partnership exceeds the amount of debt assumed by the Partnership, if any, and any other consideration (other than the Units) given by the Partnership. The Subscription Price for each Unit will be payable in full at the time of subscription or at such time or times, on such terms and with such security as the Managing Partner may determine.

### **6.4 Subscription Form**

A Person may subscribe for one or more Units by the execution of this Agreement or by delivering to the Managing Partner, or to such other Person at such address as the Managing Partner directs, a subscription form, power of attorney or such other documents in such form as the Managing Partner may from time to time prescribe or approve, completed and

executed in a manner acceptable to the Managing Partner, together with such other instruments as the Managing Partner may request.

**6.5 Refusal of Subscription**

The Managing Partner may, for any reason and in its sole discretion, refuse to accept a subscription for a Unit, including a subscription made by a Person who the Managing Partner considers is or may be a non-resident of Canada for the purposes of the *Tax Act*.

**6.6 Refund or Non-Acceptance**

If, for any reason, a subscription for a Unit is not accepted or the subscription is accepted but the subscriber is not entered on the Register as a Partner, the Managing Partner will cause the Partnership to refund to the subscriber so much of the Subscription Price for the Unit as has been paid, without interest or deduction.

**6.7 Acceptance**

The Managing Partner will be deemed to have accepted a subscription for a Unit when written acceptance of the subscription is delivered to the subscriber or deposited in the mail for forwarding to the subscriber.

**6.8 Admission to Partnership**

Upon acceptance by the Managing Partner of a subscription for one or more Units and on compliance with the requirements as to payment of so much of the Subscription Price for the Unit or Units as is not to be deferred, all Partners will be deemed to consent to the admission of the subscriber as a Partner, the Managing Partner will cause the subscriber to be entered on the Register as a Partner and the Managing Partner will make such filings and recordings as are required by law and the subscriber will thereupon become a Partner.

**6.9 Issue Expenses**

The Partnership will pay all costs, commissions, disbursements, fees and expenses incurred in connection with any offering of Units.

**6.10 Retraction of Units**

The Units are not redeemable at the option of the Partners and no Partner may demand the return of capital paid for its Units other than as set out herein.

**ARTICLE 7  
AMENDMENT**

**7.1 Change of Partners**

This Agreement may be amended by the Managing Partner, without the consent of any other Partners but provided that notice of the amendment is provided to each of the

Partners, as necessary to reflect the admission, resignation or withdrawal of any Partner in accordance with the terms hereof, or the assignment by any Partner of the whole or any part of such Partner's interest in the Partnership, under or pursuant to the terms hereof or of the *Partnership Act*.

**7.2                   Amendment with Approval of Partners and Managing Partner**

This Agreement may be amended by the Managing Partner if such amendment is authorized by Extraordinary Resolution and if the amendment adversely affects the rights or interests of Holders of Units, the resolution is consented to by, or receives affirmative votes cast by, the Holders of 76% or more of the Units held by Persons; provided that the creation of additional Units in accordance with section 5.1 and any consequential amendments to this Agreement required in connection therewith shall conclusively be deemed not to adversely affect the rights or interests of Holders of Units.

Notwithstanding the foregoing, no amendment may be made which in any manner allows any Partner to take part in the management of the Business of the Partnership, reducing the interest in the Partnership of any Partner, changing the right of a Partner to vote at any meeting of Partners or changing the Partnership from a limited liability partnership to a general partnership.

**7.3                   Amendment by Managing Partner**

The Managing Partner may, without notice to or the consent of any Partner, amend this Agreement:

- (a) to add any covenant, restriction or provision which, in the opinion of counsel for the Partnership, is for the protection of the Partners; or
- (b) to cure any ambiguity or to correct or supplement any provision contained herein which, in the opinion of counsel for the Partnership, may be defective or inconsistent with any other provision hereof if, in the opinion of such counsel, such amendment does not and will not in any way adversely affect the rights of any Partner.

**7.4                   Notification**

All Partners will be notified of the full details of any amendment to this Agreement under section 7.3 within 30 days after the effective date of such amendment.

**ARTICLE 8**  
**UNIT CERTIFICATES**

**8.1                   Unit Certificates**

When a subscriber becomes a Partner, the Managing Partner may, and upon written request, shall, forthwith deliver or cause the Registrar to deliver to or to the order of the subscriber a Unit Certificate specifying the number and class of Units held by the subscriber.

## **8.2 Execution of Unit Certificate**

Every Unit Certificate must be signed by at least one officer or director of the Managing Partner or any other person with the authorization of the Managing Partner, and where authorized by the Managing Partner, signatures may be mechanically reproduced and the validity of a certificate will not be affected by the circumstance that a Person whose signature is so reproduced is deceased or no longer holds the office which the person held when the reproduction of their signature in that office was authorized.

## **8.3 Delivery of Unit Certificates**

A Unit Certificate may be sent through the mail by registered prepaid mail to the Holder of the Unit evidenced thereby and neither the Managing Partner, the Partnership nor the Registrar will be liable for any loss by a Holder that results from the loss of a Unit certificate by reason that it is so sent.

## **8.4 Lost Unit Certificates**

If a Partner claims that a Unit Certificate representing one or more Units recorded in its name has been defaced, lost, destroyed or wrongly taken, the Managing Partner will cause a new Unit Certificate to be issued in substitution for such Unit Certificate if the Holder:

- (a) delivers to the Registrar the defaced Unit Certificate; or
- (b) delivers to the Registrar:
  - (i) a statutory declaration or other certification satisfactory to the Managing Partner verifying such loss, destruction or wrongful taking and the entitlement of the Holder; and
  - (ii) an indemnity on a basis satisfactory to the Managing Partner (which may include security therefor) indemnifying and holding harmless each of the Registrar, the Managing Partner and the Partnership from every cost, damage, liability, loss or expense suffered or incurred as a result of or arising out of the issue of the new Unit Certificate; and
- (c) satisfies such other requirements as are imposed by the Managing Partner or the Registrar.

# **ARTICLE 9**

## **REGISTRATION AND TRANSFER OF UNITS**

### **9.1 Appointment of Registrar**

The Managing Partner shall engage a law firm, trust company or other qualified Person to be the Registrar of the Partnership and act as the registrar and transfer agent for Units of the Partnership upon such terms and conditions and at such remuneration as the Managing Partner considers appropriate, acting reasonably.

**9.2 Replacement of Registrar**

The Managing Partner may from time to time terminate the engagement of a particular Registrar and make a new engagement.

**9.3 Duties**

It will be the duty of the Registrar to maintain the register of members of the Partnership, record issues and transfers of Units and to carry out such other formalities related to the registration and records of the Partnership as agreed between the Registrar and the Managing Partner and as may be required by the *Partnership Act*.

**9.4 Offices**

The Registrar will be considered in its capacity as Registrar as having an office only at such location in British Columbia approved by the Managing Partner where the Register is maintained and as transfer agent as having offices only at such other locations as are approved by the Managing Partner from time to time and will not be required to transact any business concerning the registration or transfer of Units at any other office.

**9.5 Vacancy**

The Managing Partner will carry out all the functions of the Registrar during any period for which no Registrar is engaged; provided always that the Managing Partner shall engage a replacement Registrar as soon as is reasonably practicable.

**9.6 Registered Holder of Units**

No Unit may be subscribed for or registered in the name of a Person who is not an individual, corporation or body corporate or a trustee, executor, administrator or other legal representative.

**9.7 Regulations Concerning Register**

The Managing Partner may make such reasonable rules and regulations as it from time to time considers necessary or desirable in connection with the services to be performed by the Registrar, or in respect of the Register, including the form and content of the Register, the establishment of record dates for the giving of notice of and for the payment of distributions by the Partnership and, except as otherwise provided in this Agreement, the documentation required to record an assignment of a Unit and other matters.

**9.8 Transfer to an Affiliate.**

A Partner may transfer any of its Units to an Affiliate provided that the transferring Partner and the transferee comply with the following provisions:

- (a) notwithstanding anything else contained herein (other than Section 9.8(c)), a Partner (the "Transferor") will be entitled to Transfer (but not mortgage,

hypothesize, pledge or otherwise grant an encumbrance of) all (but not part) of its Units to an Affiliate of the Partner (in each case a "Transferee") from time to time without the consent of the other Partners provided that, contemporaneously with such Transfer:

- (i) the transferee executes and delivers an agreement in favour of the remaining Partners whereby it agrees to be bound by and entitled to the benefit of this Agreement and all other agreements to which such Transferor is a party in its capacity as a Partner;
- (ii) the Transferor will acknowledge, covenant and agree in favour of the remaining Partners that the Transferor shall not be released from its obligations hereunder;
- (iii) the Transferee and the Transferor will agree in favour of the remaining Partners that the Transferee will remain an Affiliate of the Transferor so long as it holds Units; and
- (iv) such agreements, acknowledgements and covenants are to be in form and substance satisfactory to counsel for the other Partners acting reasonably and without delay.

Notwithstanding the foregoing a Partner will not be permitted to effect a Transfer of its Partner's Interest to an Affiliate or otherwise pursuant to this Section 9.8 if such Partner is a Defaulting Partner under this Agreement.

- (b) no Transfer otherwise permitted under this section may be made unless the proposed Transferor gives prior written notice of the proposed Transfer to the Managing Partner not less than 15 days prior to the effective date of the proposed Transfer, which notice will include a statement from the proposed Transferor, in reasonable detail, as to the relationship between the proposed Transferor and proposed Transferee, all in the context of the ownership structure and arrangements then existing and the representations of the Transferor that the Transferor and Transferee are Affiliates as of the effective date of the proposed Transfer.
- (c) notwithstanding anything herein contained, no Transfer pursuant to this Section 9.8 may be made if:
  - (i) as a result thereof, the other Partners or the Partnership would become subject to more onerous governmental controls or regulations; or
  - (ii) as a result thereof, the other Partners will be subject to any taxation to which it was not theretofore subject or subject to increased taxation; or
  - (iii) as a result thereof any Partner's Units become subject to any lien, charge or encumbrance not otherwise permitted herein; or

- (iv) the transaction is not permitted by law or any term of any mortgage, charge or other financing document secured or registered against any of the Partnership's property or any agreement or document affecting the Partnership, the Partners or the Partners' Units, unless any approval required thereunder has been obtained and is in effect and any conditions required thereunder to be complied with have been satisfied, or will be satisfied within the time periods required thereunder at the sole cost and expense of the Partner which wishes to effect the transaction; or
- (v) the Transferee does not have the power and capacity to own and encumber its Units,

and any transaction which would procure such result will be void. The Partner effecting the Transfer will use its reasonable best efforts to obtain the consents of any third parties (including governmental authorities or agencies) to any Transfer which would otherwise be permitted hereunder.

#### **9.9      Restriction on Transfer and Right of First Refusal.**

Except as otherwise specifically permitted hereunder, a Partner shall not transfer any Units to another Person unless (i) notice of the proposed transfer has been provided to the Managing Partner and to the other Partners and such transfer has been approved by Extraordinary Resolution; or (ii) the Partner has complied with the following provisions:

- (a) the Partner (the "Offeror") desiring to transfer any or all of its Units shall give written notice (the "Transfer Notice") to the Managing Partner and the other Partners holding Class B Units or Class C Units (the "Other Partners") specifying the number of Units that it desires to transfer (the "Offered Units"), the price, in lawful money of Canada, for the Offered Units, and the terms of payment upon which the Offeror is prepared to transfer the Offered Units. The Transfer Notice shall also state whether the Offeror has received an offer to purchase (the "Third Party Offer") the Offered Units, or any of them, from, or proposes to sell the Offered Units, or any of them, to any particular person or persons and, if so, the names and addresses of those persons shall be specified in the Transfer Notice. The Transfer Notice shall constitute an offer by the Offeror to sell the Offered Units to the Other Partners in respect of any remaining Offered Units, and shall not be revocable;
- (b) each of the Other Partners shall have a period of 30 days to elect, by written notice provided to the Offeror, whether it is willing to purchase its pro rata share of the Offered Units and, if so, whether it is prepared to purchase more than its pro rata share of the Offered Units. If any of the Other Partners declines the Offer to Sell contained in the Transfer Notice in respect of the Offered Units, the Offered Units shall be allocated amongst those Other Partners accepting the offer on a pro rata basis up to the number of additional Offered Units that such Other Partners is prepared to purchase. If any Other Partner fails to provide such notice

within the 30-day period, it will be deemed to have elected not to accept the offer to sell contained in the Transfer Notice in respect of the Offered Units.

- (c) upon the expiration of the 30-day notice period provided for in either paragraph (b) above, if the Offeror has received from the Other Partners an acceptance or acceptances to purchase any of the Offered Units, then the Offeror shall thereupon sell such Offered Units to the Other Partner(s).
- (d) if, in accordance with either paragraph (b) the Other Partners accept the offer to sell contained in the Transfer Notice in respect of any of the Offered Units, upon payment of the price for such Offered Unit in accordance with the Transfer Notice, the Offeror shall be bound to transfer those Units and if the Offeror fails to do so the Managing Partner shall cause the name of the Managing Partner or the Other Partners, as applicable, to be entered in the register of Partners as the holders of those Units and shall cancel the unit certificates previously issued to the Offeror representing those Units whether they have been produced to the Managing Partner or not. Payment of the Purchase Price to the Managing Partner, and the deposit of such funds into an account established by the Managing Partner as agent for the Offeror, shall be sufficient payment by the Other Partner(s), as applicable, and entry of the transfer in the register of Partners shall be conclusive evidence of the validity of the transfer. Upon completion of the transfer, the Managing Partner shall pay the Purchase Price received from the Other Partner(s) to the Offeror in accordance with the Transfer Notice.
- (e) upon the expiration of the 30-day notice period provided for in paragraph (b) above, if there are any Offered Units which the Other Partners have not elected to purchase (the "**Unsold Offered Units**"), the Offeror may for a period of 90 days after the expiration of the 30-day period provided for in paragraph (b) above transfer to any person all (but not less than all) the Unsold Offered Units, provided that:
  - (i) the Offeror shall not sell any of the Unsold Offered Units at a price less than that specified in the Transfer Notice or on terms more favourable to the purchaser than those specified in the Transfer Notice;
  - (ii) the Offeror shall not sell any of the Unsold Offered Units to any person, unless at the time of the sale that person complies with section 9.12; and
  - (iii) if the Offeror has not transferred the Unsold Offered Units or any of them within the 90-day period then the provisions of this section 9.9 shall again become applicable to all of the Unsold Offered Units not disposed of within the 90-day period.

Notwithstanding any other provision contained herein, no transfer or assignment of Units may be made to an individual unless such transfer or assignment is approved by the Managing Partner and by an Extraordinary Resolution and such prohibition applies to any transfer by an Offeror of Offered Units even where the Other Partners have elected not to purchase the Offered Units.

**9.10 Assignment Requirements**

Subject to compliance with the terms of this Agreement, a Unit may be assigned by a Person or its agent duly authorized in writing to any other Person, to the assignor and one or more other Persons jointly, or by two or more joint Holders to one or some of them to the extent permitted by this Agreement, but no assignee will be registered as the Holder of a Unit or become a Partner unless:

- (a) the assignee has delivered to the Registrar:
  - (i) an instrument of transfer of the Unit and power of attorney in the form and executed as required by section 9.14; and
  - (ii) the Unit Certificate representing the Unit;
- (b) in the case of an assignment by or to a Person other than an individual, the assignee has delivered to the Registrar such verification of the due execution of the form of assignment by that Person as the Registrar reasonably requires;
- (c) in the case of an assignment to a Person who is an individual, such assignment has been approved by the Managing Partner and an Extraordinary Resolution; and
- (d) the Managing Partner has given its prior written consent to the assignment and to the entry of the assignee as a Partner on the Register, which consent may be arbitrarily withheld;

and the Managing Partner may, in its discretion, refuse to record an assignment to an assignee who the Managing Partner believes to be a non-resident of Canada for the purposes of the *Tax Act* or who the Managing Partner believes to be an individual for the purposes of the *Tax Act*.

**9.11 Admission of Partner On Transfer.** When a transferee is entitled to become a Partner pursuant to the provisions hereof upon the transfer of a Unit, the Managing Partner shall be authorized to admit such person to the Partnership as a Partner and the Partners hereby consent to the admission of, and will admit, the transferee to the Partnership as a Partner, without further act of the Partners. The Managing Partner, or the Registrar and Transfer Agent if not the Managing Partner, will:

- (a) record at the registered office of the Partnership in British Columbia any such assignment and transfer;
- (b) make such filings and cause to be made such recordings as are required by law;
- (c) forward notice of the transfer to the transferee; and
- (d) issue and forward a Unit Certificate to the transferee in respect of the Units transferred.

**9.12 Form of Transfer**

An instrument of transfer of a Unit and power of attorney must:

- (a) be substantially in the form prescribed in Schedule B, or in such other form as may be approved by the Managing Partner;
- (b) be executed by the assignor and the assignee; and
- (c) have the execution by the assignor guaranteed in a manner acceptable to the Managing Partner or the Registrar.

**9.13 Deemed Consent to Admission**

Where an assignee is entitled to become a Partner pursuant to the provisions hereof, all Partners will be deemed to consent to the admission of the assignee to the Partnership as a Partner without further act of the Partners.

**9.14 Effective Date of Transfer**

A transfer of a Unit complying with all the requirements of this Article 9 will be effective as of the day on which all such requirements have been satisfied and all distributions made after such effective date on account of the transferred Unit will be paid to the transferee.

**9.15 Accrued Rights**

No transfer of a Unit by a Partner will relieve such Partner of obligations arising before such transfer or, unless the transferee becomes a Partner pursuant to section 9.13, arising after such transfer.

**9.16 Recording of Transfer**

The Registrar will record the transfer and the Managing Partner will amend or cause to be amended the Register by showing the name of the assignee as a Partner and will make such filings and recordings as are required by law.

**9.17 Effectiveness Conditional**

No transfer will become effective other than as between the parties thereto until all filings and recordings have been made as may be required by the *Partnership Act*, if any, in respect of the admission of the assignee to the Partnership or the increase of its interest therein, as the case may be.

**9.18 Incapacity, Death or Bankruptcy**

Where a Person becomes entitled to a Unit on the incapacity, death or bankruptcy of a Partner, or otherwise by operation of law, in addition to the requirements of section 9.12, such entitlement will not be recognized or entered in the Register and no amendment to the Registration Statement will be made in respect of such entitlement until that Person:

- (a) has produced evidence satisfactory to the Registrar of such entitlement;
- (b) has acknowledged in writing that it is bound by the terms of this Agreement and has assumed the obligations of a Partner in respect of the Unit;
- (c) has delivered to the Registrar such other evidence, approvals and consents in respect of such entitlement as the Registrar reasonably requires; and
- (d) if the Person is an individual, has assigned the rights to the Unit to a corporation or other entity acceptable to the Managing Partner.

**9.19      Inspection of Register**

Any Partner or an agent of a Partner duly authorized in writing may inspect and take extracts from the Register during normal business hours and, upon payment of a reasonable fee to the Registrar, may obtain a copy of the Register not more than ten days after the date of delivery of its written request therefor to the Registrar.

**9.20      No Obligation to See to Execution of Trust or Equity**

Neither the Registrar nor the Managing Partner will be bound to recognize or see to the execution of any trust, whether express, implied or constructive, or any charge, pledge or equity, to which any Unit or any interest therein is subject, nor to ascertain or inquire whether any sale or transfer of any Unit or any interest therein by a Partner or his personal representative is authorized by such trust, charge, pledge or equity, nor to recognize any Person as having any interest in a Unit other than the Person recorded on the Register as the Holder of the Unit.

**9.21      Receipt of Holder**

The receipt of the Person in whose name any Unit is recorded on the Register, or its duly authorized agent, will be a sufficient discharge for all monies, securities and other property payable, issuable or deliverable in respect of the Unit and from all liability to see to the application thereof.

**ARTICLE 10**  
**CAPITAL ACCOUNTS AND CONTRIBUTIONS**

**10.1      Capital Accounts**

The Managing Partner will establish separate capital accounts on the books of the Partnership for each Partner, to which the Subscription Price of Units and all other contributions to the capital of the Partnership and Net Income will be credited and to which Net Loss and amounts distributed to the Partners will be debited.

**10.2      Initial Contributions and Subscriptions**

Each of the Partners will contribute an amount of capital to the Partnership as may be approved by the Partners by Extraordinary Resolution.

The Partners will each subscribe for the Units set out below in consideration of the subscription amount set out below:

Name of Partner	Number of Units	Class of Units	Subscription Price
EBMD	1	Class A Unit	\$1.00
Danco	100	Class B Units	\$100.00
Sanco	100	Class C Units	\$100.00

#### **10.3 Contribution of Capital by Partners Holding Units**

The Partner holding each Unit will contribute to the capital of the Partnership the Subscription Price for the Unit and such other amount as the Partner may agree but will not otherwise be liable as such to make any contribution to the capital of the Partnership. Subsequent contributions to the capital of the Partnership by a Holder of Units may be in the form of cash contributed to the Partnership, the acquisition of other property by the Partnership, or debt of the Partnership assumed by the Holder as primary obligor (whether or not the Partnership remains liable, contingently or otherwise, for such debt).

#### **10.4 Restrictions on Withdrawals**

No Partner will have any right to withdraw any amount or receive any distribution from the Partnership except as expressly provided by this Agreement and as permitted by law.

#### **10.5 No Interest Payable on Capital Accounts**

No Partner will have the right to receive interest on any balance in any Capital Account.

#### **10.6 No Interest on Repaid Capital**

Except as provided in the *Partnership Act* or as otherwise provided in this Agreement, no Partner will be liable to pay interest to the Partnership on any capital returned to such Partner or on any authorized debit balance in any account maintained as provided in this Article 10.

#### **10.7 Debit Balances In Capital Accounts**

The interest of a Partner in the Partnership will not terminate solely by reason that there is a debit balance in any Capital Account maintained pursuant to this Article 10.

#### **10.8 Borrowing From Outside Sources**

Additional capital required to conduct the Business of the Partnership shall be obtained, to the greatest extent possible, by borrowing from a bank or other institutional lender. If the lender providing any credit facility to the Partnership requires, as a condition of providing

such credit facility, that the Partners holding Class B Units or Class C Units provide guarantees in respect of the Partnership's obligations under such credit facility, then the Partners holding Class B Units or Class C Units shall each provide a guarantee limited to an amount equal to such Partner's pro rata portion of the Partnership's obligations under the credit facility.

#### **10.9 Additional Capital Contributions**

Failing the ability of the Partnership to obtain funds by way of the outside sources contemplated in section 10.8, in addition to the initial contemplated contributions set out in section 10.2, the Managing Partner may, with the prior approval of the Partners by Extraordinary Resolution, on a pro rata basis, request that the Partners holding Class B Units and Class C Units subscribe for additional Class B Units or Class C Units, as applicable, pro rata to each Partners' respective holdings of Units up to the amount of additional Class B Units or Class C Units approved by Extraordinary Resolution upon 30 days written notice. The Managing Partner may give notice requesting that such additional Class B Units or Class C Units be taken up in one or more instalments from time to time as additional funds are required by the Partnership. In the event that a Partner declines, fails or refuses to take up and pay for the additional Class B Units or Class C Units that the Managing Partner proposes to issue, the Managing Partner may, without prejudice to any other rights or remedies available to it, offer such additional Class B Units or Class C Units to a third party purchaser without further authorization or approval from the Partners.

#### **10.10 Contributions by Loan**

In the event that the Partnership requires additional capital and the Partners have, by Extraordinary Resolution, approved the issuance of additional Class B Units and Class C Units and one or more Partners do not take up their pro rata share of the additional Units then any Partner who has agreed to take up its pro rata share of such additional Units may, by written notice to the Managing Partner, elect to contribute the amount of funds otherwise payable for such Units by way of loan (a "**Partner Loan**") rather than as a subscription for additional Units. In the event that a Partner elects to make a Partner Loan rather than subscribe for additional Units, such Partner Loan shall bear interest at a rate of 18% per annum compounded annually and calculated from the date of advance to the date of repayment.

### **ARTICLE 11 PARTICIPATION IN PROFITS AND LOSSES**

#### **11.1 Allocation of Net Income**

Net Income for any Fiscal Year will be allocated and credited among the Partners as follows:

- (a) firstly, if and to the extent that Net Loss has been allocated to any Partners (or their predecessors in interest in respect of any Units acquired by a Partner other than by subscription) in prior Fiscal Years and Net Income has not previously been allocated to the Partners (or their predecessors in interest) under this section 11.1(a) in respect of such prior allocations, then Net Income shall be allocated to the Partners pro rata based on such allocations of Net Loss in prior Fiscal Years;

- (b) secondly, on a pari passu basis to the Partners holding Class B Units and Class C Units as at the end of the period pro rata based on the number of Units held by them in an amount up to an aggregate sum of \$15,000,000;
- (c) thirdly, to the Partners holding Class C Units in an amount up to an aggregate sum of \$30,000,000; and
- (d) thereafter, on a pari passu basis:
  - (i) 0.001% thereof to the Managing Partner as the Holder of the Class A Unit to a maximum of \$100 per Fiscal Year; and
  - (ii) 99.999% thereof to the Partners holding Class B Units and Class C Units as at the end of the period pro rata based on the number of Units held by them;

provided that the amount of Net Income to be allocated and credited in respect of any Units issued during the Fiscal Year shall be pro-rated based on the number of days during the Fiscal Year from the date of issuance.

#### **11.2 Allocation of Net Loss**

Net Loss for each Fiscal Year will be allocated and debited among the Class B Units or Class C Units as at the end of the period pro rata based on the number of Units held by them provided that the amount of Net Loss to be allocated and credited in respect of any Units issued during the Fiscal Year shall be pro-rated based on the number of days during the Fiscal Year from the date of issuance.

#### **11.3 Distribution of Distributable Cash**

Subject to the provisos set out below and subject to the *Partnership Act* and after making provisions for any Reserves, the Distributable Cash shall be determined by the Managing Partner from time to time and shall be distributed to the Partners. If a distribution of Distributable Cash is made to the Partners, after distributing to the Partners the amount necessary to satisfy the tax liability arising from the allocation of Tax Income pursuant to section 11.6, the amount to be distributed shall be paid:

- (a) firstly to Partners who have made Partner Loans in an amount up to the aggregate Partner Loans outstanding, including accrued but unpaid interest thereon, and shall be paid pro rata to such Partners in accordance with the respective outstanding amounts due on account of Partner Loans;
- (b) secondly, on a pari passu basis to the Partners holding Class B Units and Class C Units as at the end of the period pro rata based on the number of Units held by them in an amount up to an aggregate sum of \$15,000,000;
- (c) thirdly, to the Partners holding Class C Units in an amount up to an aggregate sum of \$30,000,000; and

- (d) thereafter, on a pari passu basis:
  - (i) to the Managing Partner, 0.001% of the remaining Distributable Cash up to a maximum of \$100 per Fiscal Year; and
  - (ii) to the Partners holding Class B Units or Class C Units pro rata based on the number Units held by them 99.999% of the remaining Distributable Cash;

provided that no distribution of Distributable Cash will be made to any Defaulting Partner. Any amount that would otherwise be distributable to a Defaulting Partner will be retained by the Partnership to the extent, and applied on account, of any outstanding obligations of the Defaulting Partner to the Partnership.

#### **11.4                   Adjustments**

If the Accountant determines that the share of a Partner in any distribution or allocation of income or loss differs from its share as previously determined by the Managing Partner, then the determination of the Accountant shall be deemed to be correct and binding upon the Partnership, the Partners and the Managing Partner. The Managing Partner will cause the necessary adjustments to be made by payment or reallocation to or from such Partner.

#### **11.5                   Determination of Tax Income and Tax Loss**

For the purpose of determining Tax Income or Tax Loss of the Partnership in respect of a particular Fiscal Year:

- (a) the Partnership will make discretionary deductions or allowances in amounts determined by the Managing Partner, in its sole discretion, in accordance with applicable taxation legislation; and
- (b) the Partnership will claim capital cost allowance in respect of the depreciable property of the Partnership and such other expenses or deductions allowed for tax purposes under the *Tax Act* as the Managing Partner in its sole discretion determines.

#### **11.6                   Allocation of Tax Income and Tax Loss**

Tax Income in respect of a Fiscal Year will be allocated as at the end of the period among the Partners as follows:

- (a) firstly, if and to the extent that Tax Loss has been allocated to any Partners (or their predecessors in interest in respect of any Units acquired by a Partner other than by subscription) in prior Fiscal Years and Tax Income has not previously been allocated to the Partners (or their predecessors in interest) under this section 11.6(a) in respect of such prior allocations, then Tax Income shall be allocated to the Partners pro rata based on such allocations of Tax Loss in prior Fiscal Years;

- (b) secondly, on a pari passu basis to the Partners holding Class B Units and Class C Units as at the end of the period pro rata based on the number of Units held by them in an amount up to an aggregate sum of \$15,000,000;
- (c) thirdly, to the Partners holding Class C Units in an amount up to an aggregate sum of \$30,000,000; and
- (d) thereafter:
  - (i) 0.001% thereof to the Managing Partner as the Holder of the Class A Unit to a maximum of \$100 per Fiscal Year;
  - (ii) 99.999% thereof to the Partners holding Class B Units and Class C Units as at the end of the period pro rata based on the number of Units held by them provided that the amount of Tax Income to be allocated and credited in respect of any Units issued during the Fiscal Year shall be pro-rated based on the number of days during the Fiscal Year from the date of issuance; and

provided that the amount of Tax Income to be allocated and credited in respect of any Units issued during the Fiscal Year shall be pro-rated based on the number of days during the Fiscal Year from the date of issuance.

Tax Loss in respect of a Fiscal Year will be allocated solely among the Partners holding Class B and Class C Units pro rata in accordance with the number of Units held by them provided that the amount of Tax Loss to be allocated and credited in respect of any Units issued during the Fiscal Year shall be pro-rated based on the number of days during the Fiscal Year from the date of issuance.

Notwithstanding the foregoing, as the Partnership develops the Partnership Property and disposes of any Partnership Property, the amount of Tax Income or Tax Loss allocated to the Partners shall be adjusted so that to the extent that any Capitalized Interest Costs have been taken into account in the calculation of Tax Income then, as applicable:

- (e) the Tax Income allocated to the partners who incurred such Capitalized Interest Costs shall be reduced by an amount equal to the aggregate of the other Partners' pro rata shares of such Capitalized Interest Costs and the Tax Income allocated to such other Partners shall, on a pro rata basis, be increased by such amount; or
- (f) the Tax Loss allocated to the Partners who incurred such Capitalized Interest Costs shall be increased by an amount equal to the aggregate of the other Partners' pro rata shares of such Capitalized Interest Costs and the Tax Loss allocated to such other Partners shall, on a pro rata basis, be reduced by such amount.

## **ARTICLE 12** **MANAGEMENT OF PARTNERSHIP**

### **12.1 Authority of Managing Partner**

The Managing Partner is authorized to carry on the Business of the Partnership, with full power and authority to administer, manage, control and operate the Business of the Partnership and except as otherwise provided by this Agreement, the Managing Partner will have all power and authority, for and on behalf of and in the name of the Partnership, to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying on the Business of the Partnership.

### **12.2 Powers of Managing Partner**

Subject to the terms and conditions of this Agreement, without limiting the generality of section 12.1, the Managing Partner, while at all times acting in a prudent and reasonable manner, will have full power and authority for and on behalf of and in the name of the Partnership to:

- (a) enter into agreements with respect to the acquisition, construction, development, re-development, sale and operation of the Partnership Property and to enter into one or more agreements for another or others to perform under contract at the expense of the Partnership all or any of the management functions required for the management or conduct of Business of the Partnership;
- (b) acquire property, both real and personal, whether freehold or leasehold, and to enter into or renew any lease or other agreement with respect to such property;
- (c) appoint and remove agents and grant and rescind powers of attorney;
- (d) borrow money from time to time, without limit as to amount, and to draw, make, execute and issue promissory notes, evidences of indebtedness and other negotiable or non-negotiable instruments and guarantee the obligations of others, provided such guarantees are made in furtherance of the business of the Partnership;
- (e) enter into loan agreements with one or more lenders containing terms and conditions governing loans made or to be made to the Partnership which the Managing Partner considers appropriate or to grant security in accordance with the provisions of such agreements;
- (f) secure the payment of money borrowed by the Partnership or other indebtedness or liability of the Partnership and finance charges, negotiation fees, standby charges and other liabilities incurred or to be incurred in connection with such borrowing by mortgage, pledge or hypothecation of or other charge on all or any of the Partnership Property, and on any undivided interest of the Partners therein, and issue bonds, debentures, security agreements and other instruments to evidence the Partnership's obligations;

- (g) sell and enter into agreements, options, rights of first refusal and other commitments to dispose of any of the Partnership Property for such amount and on such terms as the Managing Partner considers appropriate;
- (h) retain such legal counsel, experts, advisers or consultants as the Managing Partner considers appropriate;
- (i) open and operate one or more bank accounts and designate and from time to time change the signatories to such accounts;
- (j) pay expenses, capital expenditures and other outlays of the Partnership;
- (k) commence or defend any action or proceeding in connection with the Partnership and its business or affairs;
- (l) submit the Partnership to binding arbitration with respect to any issue arising in or concerning its business or affairs;
- (m) file returns required by any governmental or like authority;
- (n) engage such employees and contractors as may be required or desirable in connection with the Business of the Partnership;
- (o) redeem Units in accordance with the terms of this Agreement; and
- (p) do anything that is in furtherance of or is incidental to the Business of the Partnership.

### 12.3 Ostensible Authority of the Managing Partner

No Person dealing with the Partnership will be required to inquire into the authority of the Managing Partner to do any act, take any proceeding, make any decision or execute or deliver any instrument, deed, agreement or document for and on behalf of or in the name of the Partnership.

## 12.4 Delegation

The Managing Partner may contract with any Person on behalf of the Partnership to carry out any of its duties hereunder and may delegate to such Person any power and authority of the Managing Partner hereunder, but no such contract or delegation will relieve the Managing Partner of any of its obligations hereunder.

## 12.5 Title to Property

Where appropriate, the Nominees will hold legal title to the Partnership Property, including the Lands, for the benefit of the Partnership or the Managing Partner may cause legal title to the Partnership Property to be held by one or more Persons (including a Partner) as nominees, agents and bare trustees for the Partnership. The Nominees or other Person holding

legal title, as the case may be, will execute one or more Declarations of Trust in favour of the Partnership and cause each such declaration to be filed or registered whenever and wherever the Managing Partner considers advisable for the protection of the interests of the Partnership. Notwithstanding the foregoing, the Partners agree that upon the Partnership's acquisition of a 100% beneficial interest in the Property, legal title to the Property shall continue to be held by the Nominees in trust for and on behalf of the Partnership under the terms of the Declaration of Trust.

**12.6                   Interim Investments**

The Managing Partner may invest funds of the Partnership not immediately required for the Business of the Partnership in such investments as the Managing Partner may determine.

**12.7                   Exercise of Power and Discharge of Duties**

The Managing Partner will exercise its powers and discharge its duties under this Agreement honestly, in good faith and in what it reasonably believes to be in the best interests of the Partners and in connection therewith will apply the degree of care, diligence and skill that a prudent and qualified Person would apply in comparable circumstances.

**12.8                   Insurance**

The Managing Partner will, on behalf of and at the expense of the Partnership, purchase and maintain or cause to be purchased and maintained for the benefit of the Partnership insurance of such types and coverages as are customary for properties and business operations similar to those of the Partnership.

**12.9                   Protection of Limited Liability**

The Managing Partner will use commercially reasonable efforts have any material transaction entered into by the Partnership that, in the opinion of counsel for the Partnership is not governed exclusively by the laws prevailing in British Columbia include an express provision to the effect that all other parties thereto will have no recourse against any Partner except to the extent of its interest in the assets of the Partnership.

**12.10                  No Commingling of Funds**

The funds and assets of the Partnership will not be commingled with the funds or assets of the Managing Partner or of any other Person.

**ARTICLE 13  
FINANCIAL MATTERS AND REPORTS**

**13.1                   Fiscal Year**

The first Fiscal Year of the Partnership began on the formation of the Partnership, and ends on December 31<sup>st</sup> of each year.

### **13.2 Books of Account**

The Managing Partner will keep and maintain or cause to be kept and maintained proper, complete and accurate books of account and records of the Business of the Partnership and will enter and record or cause to be entered and recorded therein fully and accurately all transactions and other matters related to the business and affairs of the Partnership.

### **13.3 Business Plan and Budgets**

The Managing Partner shall prepare and provide to the Partners for approval:

- (a) an overall business plan for the development of the Lands incorporating, as appropriate, any budgets, plans and projections furnished by any consultant retained by the Partnership together with annual updates thereto;
- (b) a development budget containing a detailed estimate of all costs and expenses for the design, financing, construction and marketing of the proposed development together with annual updates thereto;
- (c) an annual operating budget for the Business which shall be provided to Partners prior to the commencement of each Fiscal Year.

### **13.4 Reporting by Management Committee**

The Managing Partner shall, no less than on a quarterly basis and within 30 days of the end of each fiscal quarter, provide the Partners with a report on the Business which report shall include management prepared financial statements for the Partnership for the most recent fiscal quarter, a report on the Actual Operating Expenses incurred during the fiscal quarter as compared to budget and a summary report regarding the status of the development of the Partnership Property in relation to the approved business plan.

### **13.5 Accounting Principles**

The accounts of the Partnership will be kept in accordance with generally accepted accounting principles applicable in Canada.

### **13.6 Appointment of Accountant**

The Managing Partner may from time to time appoint an Accountant for the Partnership.

### **13.7 Revocation**

The appointment of an Accountant pursuant to section 13.6 will revoke the appointment of any other Accountant then holding office.

## **ARTICLE 14** **PARTNERSHIP MEETINGS**

### **14.1 Meetings of Partners**

The Managing Partner may at any time call a meeting of Partners and will call such a meeting on receipt of a written request from Holders of Class B Units or Class C Units holding in the aggregate ten percent or more of the aggregate of the Class B Units and Class C Units then outstanding.

### **14.2 Requisitioned Meeting**

If the Managing Partner fails to call a meeting of the Partners within 30 days after receipt of a request made pursuant to section 14.1, any Holder of a Unit who was a party to the request may call such a meeting for the purpose so stated, and if more than one such Holder purports to call the meeting, the notice given in accordance with section 14.3 which calls the meeting for the earliest time will govern and the other notices will be considered invalid.

### **14.3 Notice**

Not less than 21 nor more than 60 days' notice of any meeting of the Partners will be given to the Partners, to each director of the Managing Partner and to the Accountant stating the time and place of the meeting and, in reasonable detail, all matters which are to be the subject of a vote at such meeting, including the subject matter but not necessarily the text of any resolution proposed to be passed.

### **14.4 Place of Meeting**

All meetings will be held at such location in British Columbia as is selected by the Managing Partner or the Person calling the meeting.

### **14.5 Chairperson**

The chairperson, or if there is none or in their absence the president or secretary, of the Managing Partner if present, or some other individual present who is chosen by Ordinary Resolution, will be chair of the meeting.

### **14.6 Quorum**

Except for the selection of a chairperson, for which no quorum is required, a quorum at a meeting of Partners will consist of one or more persons present in person who collectively hold or represent by proxy not less than seventy-five percent (75%) of the aggregate of the outstanding Class B Units and Class C Units.

### **14.7 Adjourned Meetings**

If a quorum is not present for a meeting of the Partners within 30 minutes after the time fixed for holding the meeting, the meeting if convened pursuant to a written request or

pursuant to section 14.2 will be cancelled, but otherwise will be adjourned to such date not less than ten nor more than 21 days after the original date for the meeting as is determined by the Managing Partner at a time and location determined by the Managing Partner.

**14.8                   Notice of Adjourned Meeting**

The Managing Partner will give at least seven days' notice of the date, time and place of the adjourned meeting to each Partner, to each director of the Managing Partner and to the Accountant, but it will not be necessary in such notice to repeat the description of the purpose of the meeting.

**14.9                   Quorum at Adjourned Meeting**

At the adjourned meeting the Holders of the Class B Units or Class C Units present in person or represented by proxy will form a quorum and may transact any business which might have been transacted at the meeting as originally called.

**14.10                  Voting Rights of Partners**

Except as provided in sections 14.11 and 14.13, each of the Holders of the Class A Unit, Class B Units or Class C Units will, on a poll, be entitled to one vote for each Unit held by them.

**14.11                  Joint Holders**

A proxy given on behalf of joint holders must be executed by all of them and may only be revoked by all of them, and if more than one of several joint holders is present at a meeting and they do not agree which of them is to exercise any vote to which they are jointly entitled they will for the purposes of voting be deemed not to be present.

**14.12                  Voting Rights of Managing Partner and Affiliated Entities**

The Managing Partner will not as such be entitled to vote at any meeting of Partners, but if the Managing Partner or an Affiliated Entity is the Holder of a Unit then the Managing Partner or the Affiliated Entity will be entitled to vote in respect of the Unit.

**14.13                  Voting Rights Suspended**

The Holder of a Unit who is a Defaulting Partner will not be entitled to exercise any voting right in respect of the Unit.

**14.14                  Corporations**

A Partner which is a corporation may appoint an officer, director or other authorized individual as its representative to attend, vote and act on its behalf at meetings of Partners and may by a like instrument revoke any such appointment, and for all purposes of meetings of Partners other than the giving of notice, an individual so appointed will be deemed to be the Holder of every Unit held by the corporation that person represents.

**14.15      Attendance of Others**

Any officer or director of the Managing Partner, counsel for the Partnership and representatives of the Accountant may attend and speak at any meeting of Partners.

**14.16      Poll on Extraordinary Resolution**

Every question submitted to a meeting of Partners which requires an Extraordinary Resolution will be decided by a poll.

**14.17      Show of Hands Unless Poll Demand**

Every question submitted to a meeting of Partners which does not require an Extraordinary Resolution will be decided by Ordinary Resolution on a show of hands unless a poll is demanded by a Partner or the chairperson before the question is put or after the result of the show of hands has been announced and before the meeting proceeds to the next item of business, in which case a poll will be taken.

**14.18      Declaration by the Chair**

On any vote for which no poll is required or requested, a declaration by the chair of the meeting as to the result of the vote on a show of hands on any question will be conclusive.

**14.19      Votes by Chair**

The chairperson of a meeting of Partners will be entitled to vote in respect of any Unit held by that person or by a corporation of which that person is the representative or in respect of which that person holds a proxy but, in the case of an equality of votes, the chair will not have a casting vote.

**14.20      When Poll Taken**

A poll requested or required concerning the election of a chairperson or an adjournment will be taken immediately and a poll requested on any other matter will be taken at such time as the chair directs.

**14.21      Resolutions Binding**

A resolution will be binding on every Partner and its heirs, executors, administrators, other legal representatives, successors and assigns, whether or not the Partner was present or represented by proxy at the meeting at which the resolution was passed and whether or not the Partner abstained or voted against the resolution.

**14.22      Appointment of Proxyholder and Voting**

A Partner may attend a meeting of Partners personally or may be represented thereat by an individual appointed by written proxy, and votes at meetings of Partners may be cast personally or by a proxyholder.

**14.23 Form of Appointment**

A proxy, whether for a specified meeting of Partners or otherwise, unless otherwise approved by the Managing Partner, will as nearly as circumstances permit be in the following form:

"I \_\_\_\_\_, of  
DEVELOPMENTS LLP hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_, as my nominee to attend and vote for me and on  
my behalf at the meeting of Partners of  
the limited liability partnership to be held on the \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_ and any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_."

**14.24 Execution of Proxy**

A proxy must be signed by the appointer or its agent duly authorized in writing or, if the appointer is a corporation, by an officer or agent thereof duly authorized.

**14.25 Qualification of Proxyholder**

Any individual may be appointed a proxyholder, whether or not the individual is a Partner.

**14.26 Validity of Proxy**

A proxy purporting to be executed by or on behalf of a Partner will be presumed valid unless challenged at the time of or before its exercise, and the Person challenging any such instrument will have the burden of proving to the satisfaction of the chair of the meeting at which the instrument is proposed to be used that the instrument is invalid, and any decision of the chair of the meeting in respect of the validity of the instrument will be final.

**14.27 Revocation of Appointment of Proxy**

A vote cast in accordance with the terms of a proxy will be valid notwithstanding the previous death, incapacity, insolvency or bankruptcy of the Partner on whose behalf the proxy was given or the revocation of the appointment unless written notice of such death, incapacity, insolvency, bankruptcy or revocation is received by the chairperson of the meeting before the vote is cast.

**14.28 Conduct of Meetings**

The rules and procedures for the conduct of a meeting of not prescribed herein will be determined by the chair of the meeting.

**14.29 Minutes**

The Managing Partner will cause minutes of all proceedings and resolutions at each meeting of Partners, and copies of all consent resolutions of the Partners, to be made and entered in books to be kept for that purpose, and any such minute when signed by the chairperson of the meeting or by the chairperson of the next succeeding meeting will be conclusive of the matters stated in them and the meeting will be deemed to have been duly convened and held and all proceedings and resolutions in them will be deemed to have been duly passed and taken.

**14.30 Powers Exercisable by Extraordinary Resolution**

In addition to all other powers conferred on them by this Agreement, the Partners holding Class B Units or Class C Units may by Extraordinary Resolution:

- (a) admit a new Managing Partner to the Partnership in anticipation of and effective upon the assignment of the interest or the Managing Partner or upon the resignation, bankruptcy, insolvency, dissolution, liquidation or winding up of the Managing Partner;
- (b) subject to section 15.4, remove the Managing Partner;
- (c) waive any default on the part of the Managing Partner on such terms as they may determine and release the Managing Partner from any claims in respect thereof;
- (d) continue the Partnership if the Partnership is terminated by operation of law;
- (e) require the Managing Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Partner;
- (f) subdivide or consolidate the Units;
- (g) approve a required contribution of additional capital by the Partners
- (h) approve a transfer of Units by a Partner to another Person without compliance with section 9.9;
- (i) subject to section 7.2, authorize an amendment of this Agreement, including an amendment to create additional Units in accordance with section 5.1;
- (j) approve the budgets and work plans contemplated under section 13.3;
- (k) amend, modify, alter or repeal any Extraordinary Resolution; and
- (l) approve the dissolution of the Partnership.

## **ARTICLE 15** **CHANGE, RESIGNATION OR REMOVAL OF MANAGING PARTNER**

### **15.1 Assignment of Interest of Managing Partner**

The Managing Partner may assign its interest in the Partnership provided such assignment is authorized by an Extraordinary Resolution which also approves the admission of the assignee as a new Managing Partner.

### **15.2 Resignation**

The Managing Partner may resign as such on not less than 30 days' written notice to all Partners, such resignation to be effective upon the earlier of:

- (a) 30 days after notice is so given; and
- (b) the admission of a new Managing Partner to the Partnership by Ordinary Resolution;

provided that the Managing Partner will not resign if the effect of the resignation would be to dissolve the Partnership.

### **15.3 Bankruptcy or Dissolution**

The Managing Partner, by agreeing to be bound by this Agreement, will be deemed to resign as the Managing Partner on the bankruptcy, insolvency, dissolution, liquidation or winding-up of the Managing Partner, or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the Managing Partner, or the appointment of a trustee, receiver or receiver-manager of the affairs of the Managing Partner, but such resignation will not be effective until, and the Managing Partner will not cease to be the Managing Partner until, the earlier of:

- (a) the admission of a new Managing Partner by Ordinary Resolution; and
- (b) 30 days after notice of the occurrence of such event or appointment is given to the Partners.

### **15.4 Removal of Managing Partner**

The Managing Partner may be removed as the Managing Partner by:

- (a) an Extraordinary Resolution; or
- (b) an Ordinary Resolution if the Managing Partner is in default in fulfilling its covenant under section 3.1;

and the resolution admits a new Managing Partner to the Partnership as a replacement to the Managing Partner being removed.

**15.5 Transfer of Management**

On the admission of a new Managing Partner to the Partnership upon the resignation or removal of the Managing Partner, the resigning or retiring Managing Partner will do all things and take all steps to transfer the administration, management, control and operation of the Business of the Partnership and the books, records and accounts of the Partnership to the new Managing Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

**15.6 Transfer of Title**

On the resignation or removal of the Managing Partner and the admission of a new Managing Partner, the resigning or retiring Managing Partner will, at the cost of the Partnership, transfer legal title to any of the Partnership's property registered in the retiring Managing Partner's name to such new Managing Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

**15.7 Release**

On the resignation or removal of a Managing Partner, the Partnership will release and hold harmless the Managing Partner resigning or being removed, from any costs, damages, liabilities or expenses suffered or incurred by the Managing Partner as a result of or arising out of events, other than any wilful act or omission by the Managing Partner, which occur in relation to the Partnership after such resignation or removal.

**15.8 New Managing Partner**

A new Managing Partner will become a party to this Agreement by signing a counterpart hereto and will agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the Managing Partner hereunder as and from the date the new Managing Partner becomes a party to this Agreement.

**ARTICLE 16**  
**TERM AND DISSOLUTION OF PARTNERSHIP**

**16.1 Term**

The Partnership will commence on the day and year first above written and continue until its dissolution in accordance with this Agreement.

**16.2 Events of Dissolution**

The Partnership will be dissolved on the earliest of:

- (a) a date specified for the dissolution of the Partnership pursuant to an Extraordinary Resolution passed in accordance with section 14.30(l);

- (b) 30 days after the deemed resignation of the Managing Partner pursuant to section 15.3 unless, within 30 days after such resignation:
  - (i) a new Managing Partner is admitted to the Partnership; or
  - (ii) the remaining Partners resolve by Ordinary Resolution to continue the Partnership without a Managing Partner; and
- (c) December 31, 2101.

#### **16.3 Events Not Causing Dissolution**

The Partnership will not be dissolved or terminated by the resignation, removal, death, incompetence, bankruptcy, insolvency, dissolution, liquidation, winding-up or receivership of, or the admission, resignation or withdrawal of, the Managing Partner or any Partner.

#### **16.4 Managing Partner as Receiver**

On dissolution of the Partnership other than pursuant to section 16.2(b), the Managing Partner will act as the receiver or, if approved by Ordinary Resolution, as receiver and manager of the Partnership.

#### **16.5 Other Receiver**

If the dissolution is pursuant to section 16.2(b) or the Managing Partner is unable or unwilling to act as the receiver, the Partners may by Ordinary Resolution appoint some appropriate Person to act as receiver or as receiver and manager.

#### **16.6 Allocation of Net Income and Net Loss and Tax Income and Tax Loss on Dissolution**

If the Partnership is dissolved pursuant to this Article 16, the date of dissolution of the Partnership shall be deemed for all purposes to be the end of the Partnership's Fiscal Year and Net Income and Net Loss and Tax Income and Tax Loss shall be allocated and credited or debited among the Partners in accordance with the provisions of Article 11 as at the date of such dissolution.

#### **16.7 Distribution**

After provision has been made for the payment or other satisfaction of all liabilities of the Partnership, the remaining assets of the Partnership will be distributed among the Partners in the following order of priority:

- (a) firstly, to repay any Partner Loans together with any accrued but unpaid interest thereon, to be paid to Partners who have made Partner Loans pro rata in accordance with the respective outstanding amounts due;

- (b) secondly, an amount equal to the aggregate Capital Accounts of the Partners shall be distributed to the Partners pro rata based on their respective Capital Accounts;
- (c) thirdly, any Distributable Cash in accordance with section 11.3; and
- (d) fourthly, the remaining assets of the Partnership shall be distributed among the Partners holding Class B Units and Class C Units pro rata based on the number of Units held by them.

No Partner shall have any right to demand or receive any property other than cash upon dissolution of the Partnership.

## **ARTICLE 17** **DEFAULT BY PARTNERS**

### **17.1 Default by Partner**

If any Partner fails to pay to the Partnership any amount agreed to be paid by such Partner pursuant to any cheque, promissory note, loan document or other instrument in respect of the Subscription Price for a Unit within 15 days of such payment becoming due, fails to make any adjustment as required pursuant to a notice on the day such adjustment is required to be made pursuant to section 11.4 or becomes a Defaulting Partner pursuant to section 3.12, the Managing Partner shall be entitled, without further authorization, and upon ten days' written notice to the Defaulting Partner, in addition to any steps taken under the provisions of this Agreement and any other legal remedies available to it, to sell the Unit held by the Defaulting Partner on such terms and conditions as it deems reasonable in order to provide the funds to remedy such default, unless such default is remedied by the Defaulting Partner prior to the expiry of such ten day notice period.

### **17.2 Proceeds from Sale**

The proceeds from the sale of a Unit pursuant to section 17.1 shall, subject to the provisions of the *Partnership Act*, be distributed as follows:

- (a) firstly, to pay all costs of whatever nature incurred in connection with the sale;
- (b) secondly, to apply the proceeds to the extent necessary to cure the default of the Defaulting Partner or to indemnify the Managing Partner if it has incurred any loss or expense to cure the Defaulting Partner's default; and
- (c) thirdly, to pay any balance remaining to the Defaulting Partner.

### **17.3 Insufficient Proceeds**

If the proceeds of sale are not sufficient to remedy any default by the Defaulting Partner, the Managing Partner may bring appropriate legal proceedings against the Defaulting Partner to recover the amount of the deficiency owing to the Partnership.

#### **17.4 Interest on Overdue Payments**

Any payments which a Partner has undertaken or is required to make to the Partnership which are not paid when due shall bear interest payable monthly at the rate of 18% per annum from the due date of such payment to the actual date of payment. Interest at the rate of 18% per annum shall be payable monthly on all overdue payments of interest.

#### **17.5 Voting Rights**

The Managing Partner shall, while a Partner is a Defaulting Partner, exercise, as the duly authorized attorney and agent of such Defaulting Partner and such manner as the Managing Partner in its sole discretion shall determine, all voting rights attached to such Defaulting Partner's Unit.

### **ARTICLE 18 NOTICE**

#### **18.1 Notice**

Any notice or communication required or permitted to be given under this Agreement will be in writing and will be considered to have been given if delivered by hand, transmitted by facsimile transmission or by e-mail or mailed by prepaid registered post in Canada, to the address or facsimile transmission number of each party set out below:

(a) if to Danco:

3480 Ripon Road  
Victoria, BC V8R 6H2

Attention: Dan Matthews  
Fax No: 250-590-3351  
E-Mail: [dan@saintsbury.ca](mailto:dan@saintsbury.ca)

(b) if to Sanco:

224 West 5th Avenue  
Vancouver, BC V5Y 1J4

Attention: Tom Kusumoto  
Fax No: 604-875-0224  
E-Mail: [tom@sanovest.com](mailto:tom@sanovest.com)

(c) if to EBMD:

3480 Ripon Road  
Victoria, BC V8R 6H2

Attention: Dan Matthews  
Fax No: 250-590-3351  
E-Mail: dan@saintsbury.ca

or to such other address or facsimile transmission number as any party may designate in the manner set out above.

#### **18.2 Deemed Receipt**

Except as provided in section 18.3, notice or communication will be considered to have been received:

- (a) if delivered by hand during business hours on a business day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business on the next business day;
- (b) if sent by facsimile or e-mail transmission during business hours on a business day, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of business on the next business day; and
- (c) if mailed by prepaid registered post in Canada, upon the fifth business day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication will be delivered by hand or sent by facsimile transmission;

For the purposes of this paragraph “business day” means a day which is not a Saturday or a Sunday nor a statutory holiday in the Province of British Columbia.

#### **18.3 Mail Disruption**

In the event of any disruption, strike or interruption in the Canadian postal service after mailing and before receipt or deemed receipt of a document, it will be deemed to have been received on the sixth business day following full resumption of the Canadian postal service.

#### **18.4 Change of Address**

A Partner may change its address by giving written notice of such change to the Managing Partner and the Registrar, if any, and the Managing Partner may change its address by giving written notice thereof to each Partner or to the Registrar, if any.

**18.5            Accidental Omission**

An accidental omission in the giving of, or failure to give, a notice required by this Agreement will not invalidate or affect in any way the legality of any meeting or other proceeding in respect of which such notice was or was intended to be given.

**ARTICLE 19**  
**MISCELLANEOUS**

**19.1            Binding Effect**

This Agreement will be binding upon and enure to the benefit of the respective heirs, executors, administrators and other legal representatives and, to the extent permitted hereunder, the respective successors and assigns, of the parties.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement as of the date of this Agreement.

**599315 B.C. LTD.**

By:

\_\_\_\_\_  
Authorized Signatory

**SANOVEST HOLDINGS LTD.**

By:

\_\_\_\_\_  
Authorized Signatory

**ECOASIS BEAR MOUNTAIN DEVELOPMENTS LTD.**

By:

\_\_\_\_\_  
Authorized Signatory

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement as of the date of this Agreement.

**599315 B.C. LTD.**

By:

---

Authorized Signatory

**SANOVEST HOLDINGS LTD.**

By:

---

Authorized Signatory

**ECOASIS BEAR MOUNTAIN DEVELOPMENTS LTD.**

By:

---

Authorized Signatory

**SCHEDULE A  
UNIT CERTIFICATE**

**ECOASIS DEVELOPMENTS LLP**

**(a limited liability partnership formed under the laws of the Province of British Columbia)**

**Certificate No. \_\_\_\_\_**

**The interest in the Partnership of the Partners is divided into and limited to one (1) Class A Unit, an unlimited Class B Units and an unlimited Class C Units, each having attached thereto the rights, benefits, obligations and restrictions set forth in the Limited Liability Partnership Agreement.**

THIS IS TO CERTIFY that \_\_\_\_\_

is the registered holder of \_\_\_\_\_ Class \_\_\_\_\_ Units in **ECOASIS DEVELOPMENTS LLP**. This certificate and the Class \_\_\_\_\_ Unit represented hereby are held subject to the conditions and restrictions contained in the Limited Liability Partnership Agreement dated September 24, 2013, as amended from time to time.

**PARTNERS MAY LOSE THE PROTECTION  
OF LIMITED LIABILITY IN CERTAIN CIRCUMSTANCES.**

Capitalized terms used in this Certificate have the meaning ascribed to them in the Limited Liability Partnership Agreement.

In witness whereof, the Managing Partner has caused this Unit Certificate to be signed by its duly authorized officer.

**ECOASIS BEAR MOUNTAIN  
DEVELOPMENTS LTD., as Managing  
Partner of Ecoasis Developments LLP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

## SCHEDULE B

Units in the Partnership are to be assigned by instrument in writing substantially in the following form.

### ASSIGNMENT AND POWER OF ATTORNEY FORM

#### ECOASIS DEVELOPMENTS LLP (the "Partnership")

The undersigned (the "Assignor"), a limited liability partner of the Partnership (a "Limited Liability Partner"), hereby assigns to \_\_\_\_\_ (the "Assignee") all of the Assignor's right, title and interest in and to \_\_\_\_\_ Class \_\_\_\_\_ Units (the "Units") in the Partnership represented by Unit Certificate No. \_\_\_\_\_. The Assignor agrees to furnish to the Managing Partner of the Partnership (the "Managing Partner") such documents, certificates, assurances and other instruments as the Managing Partner may require to effect this assignment and to continue and keep the Partnership in good standing as a limited liability partnership. The Assignor agrees that the power of attorney previously granted by the undersigned to the Managing Partner shall continue in full force and effect and shall be irrevocable until the Partnership's register of members (the "Register"), the Partnership's Registration Statement of limited liability partnership (the "Registration Statement"), all amendments to the Registration Statement and all other instruments required to effect this assignment and to continue and keep the Partnership in good standing as a limited liability partnership have been furnished to the Managing Partner as aforesaid and have been recorded, amended or filed when, as and where required.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

---

Witness

---

(Signature of Assignor)

---

(Name of Assignor - Please Print)

---

(Residential Address)

---

(City, Province)

The Assignee accepts the above assignment and agrees to be bound as a party to the Limited Liability Partnership Agreement dated September 24, 2013, as from time to time amended (the "Partnership Agreement").

The Assignee represents and declares that:

- (a) if an individual, he or she has attained the age of majority and has the legal capacity and competence to execute this form of assignment and to take all actions required pursuant thereto;
- (b) if a corporation or body corporate, it has the legal capacity and competence to execute this form of assignment and to take all actions required pursuant hereto and all necessary approvals by its directors, shareholders and members, or otherwise, have been given to authorize it to execute this assignment of Units form and to take all actions required pursuant hereto;
- (c) if a trustee, executor, administrator or other legal representative, he or she has the legal capacity and full power and authority to execute this form of assignment and to take all actions required pursuant hereto; and
- (d) he, she or it or, in the case of a partnership, each of its partners is a resident of Canada for the purposes of the *Tax Act*.

The Assignee hereby irrevocably nominates, constitutes and appoints the Managing Partner of the Partnership, with full power of substitution, as the Assignee's agent and true and lawful attorney to act on the Assignee's behalf with full power and authority in the Assignee's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, record or file when, as and where required:

- (a) the Partnership Agreement, the Register, the Registration Statement, any amendment to the Partnership Agreement, the Register or the Registration Statement or any other instrument required to qualify, continue or keep the Partnership in good standing as a limited liability partnership in, or otherwise to comply with the law of, any jurisdiction in which the Partnership may carry on business or own property in order to establish or maintain the limited liability of the Partners under such law, including any amendment to the Register or the Registration Statement necessary to reflect any change in partners or in the ownership of a Unit;
- (b) any instrument and any amendment to the Registration Statement necessary to reflect any amendment to the Partnership Agreement;
- (c) any instrument required in connection with the dissolution or termination of the Partnership;

- (d) any instrument, deed, agreement or document executed by the Managing Partner in carrying on the business of the Partnership as authorized by the Partnership Agreement including any agreement, certificate or other document necessary to purchase, sell or hold the Partnership's assets;
- (e) any amendment to the terms of this power of attorney (provided that the terms of such amendment are substantially the same as and to the same effect as any amendment made by the Managing Partner pursuant to section 7.2 of the Partnership Agreement) that has been approved by Extraordinary Resolution of the Partners;
- (f) all elections, determinations or designations under the *Tax Act* or any taxation or other legislation or similar laws of Canada or of any other jurisdiction with respect to the affairs of the Partnership, or of a Partner's interest in the Partnership, including all elections, determinations or designations under the *Tax Act* or other legislation or similar laws of Canada or of any other jurisdiction with respect to the sale or transfer of any of the assets of the Partnership or the distribution of the assets of the Partnership or the dissolution of the Partnership;
- (g) any instrument required to be filed with any governmental body and any document in connection with the business of the Partnership;
- (h) any documents which may be required to effect the continuation of the Partnership, or the admission of an additional or substitute partner;
- (i) any document which may be required to effect an amendment to the Partnership Agreement to correct any mistake, omission or inconsistency, or to cure any ambiguity therein, to the extent permitted by section 7.3 of the Partnership Agreement;
- (j) any certificates and agreements relating to borrowings of the Partnership, including but not limited to financing statements, affidavits, transfer documents and mortgages to and on any property or assets of the Partnership which the Managing Partner deems necessary, advisable or appropriate so long as they are in conformity with the intent of the Partnership Agreement; and

The power of attorney granted hereby is given under seal and is irrevocable as a power coupled with an interest, will survive the death, bankruptcy or any subsequent mental infirmity on the part of the Assignee or the assignment by the Assignee of all or any part of its interest in the Partnership, extend to and bind the heirs, executors, administrators and assigns of the Assignee and may be exercised by the Managing Partner on behalf of the Assignee by executing any instrument with a single signature as attorney and agent for the Assignee and all of the other Partners. The Assignee agrees to be bound by any action taken by the Managing Partner pursuant to this power of attorney and waives any and all defences which may be available to contest, negate or disaffirm any action of the Managing Partner taken in good faith under this power of attorney. The Assignee

hereby ratifies and confirms all actions taken by the Managing Partner prior to the date of execution of this assignment and power of attorney form.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Seal)

Witness

(Signature of Assignee and, if applicable, Office held)

(Name of Assignee - Please Print)

(Residential Address)

(City, Province, Postal Code)

(Social Insurance Number or Corporation Account Number)

Home: \_\_\_\_\_ Office: \_\_\_\_\_  
(Telephone Number)

Notes:

1. No assignment of a Unit may be made without delivering to the registrar of the Partnership the certificate representing the Unit and all other documents required under the Partnership Agreement.
2. No assignment of a fraction of a Unit may be made.
3. An assignment of a Unit may have income tax implications to the Assignor and Assignee.

**SCHEDULE C**  
**LANDS**

**HIGHLANDS**

BM Highlands Golf Course Ltd. and BM Highlands Lands Ltd. (as Tenants in Common)

1. 024-672-092 Lot A Section 4 Range 4W Highland District Plan VIP70021 (See Plan as to Limited Access) Except That Part in Plan VIP75586
2. 009-861-815 Section 5 Range 4 West Highland District Except Part in Plans VIP60675, VIP67875 and VIP75584
3. 009-861-823 The South 60 Acres of Section 6 Range 4 West Highland District Except Part in Plan VIP67875
4. 009-861-831 Section 12 Highland District Except Parts in Plans 10853, 11134 and 45402
5. 009-861-866 Section 16 Highland District Except That Part in Plan VIP72555
6. 025-088-092 Block B Section 75 Highland District
7. 005-438-187 Lot 24 Section 17 Highland District Plan 4128 Except Part in Plan 45401
8. 027-024-768 Lot A Section 82 Highland District Plan VIP82853

**LANGFORD DEVELOPMENT LANDS**

BM 81/82 Lands Ltd.

1. 009-853-103 Section 81 Highland District Except Parts in Plans VIP72556 and VIP75509
2. 009-858-636 Section 82 Highland District Except Part in Plans VIP75509, VIP76197, VIP76364, VIP76365, VIP76988, VIP77878, VIP80330, VIP81135 and VIP88981
3. 027-590-127 Lot A Section 82 Highland District Plan VIP85331
4. 026-867-494 Lot A Section 82 Highland District Plan VIP81958
5. 025-838-555 Lot 1 Section 82 Highland District Plan VIP76365, Except Part in Plan VIP79028 and VIP85324

**BM 83 Lands Ltd.**

1. 009-858-652 Section 83 Highland District Except Parts in Plans VIP75509, VIP77878, VIP78873, VIP80330, VIP82040, VIP82483, VIP82960, VIP88981 and VIP88983, EPP33056

**BM 84 Lands Ltd.**

1. 009-853-081 Section 84 Highland District Except That Part in Plans VIP72556, VIP75509 and VIP89370

**BM Capella Lands Ltd.**

1. 026-575-680 Lot 34 Section 3 Range 4 West Highland District Plan VIP80330

**HIGHLANDER SITE**

**BM Highlander Development Ltd.**

1. 027-024-644 Lot 1 Section 82 Highland District Plan VIP82851

**PLAYERS DRIVE SITE**

**BM Capella Lands Ltd.**

1. 027-568-849 Lot A, Section 3, Range 4W, Highland District, Plan VIP85310
2. 027-568-857 Lot B, Section 3, Range 4W, Highland District, Plan VIP85310

**0884190 BC Ltd.**

1. 027-567-907 Lot A, Section 3, Range 4W, Highland District, Plan VIP85309

**0884194 BC Ltd.**

1. 027-567-915 Lot B, Section 3, Range 4W, Highland District, Plan VIP85309

**0884185 BC Ltd.**

1. 027-205-207 Lot 3, Section 3, Range 4W, Highland District, Plan VIP83700

**0884188 BC Ltd.**

1. 027-205-215 Lot 4, Section 3, Range 4W, Highland District, Plan VIP83700

#### **HEDGESTONE LOTS**

**BM 81/82 Lands Ltd.**

1. 028-890-141 Lot 5, Section 82, Highland District, Plan EPP19660
2. 028-890-159 Lot 6, Section 82, Highland District, Plan EPP19660
3. 028-890-167 Lot 7, Section 82, Highland District, Plan EPP19660
4. 028-890-175 Lot 8, Section 82, Highland District, Plan EPP19660
5. 028-890-183 Lot 9, Section 82, Highland District, Plan EPP19660
6. 028-890-191 Lot 10, Section 82, Highland District, Plan EPP19660
7. 028-890-353 Lot 11, Section 82, Highland District, Plan EPP19660
8. 028-890-361 Lot 12, Section 82, Highland District, Plan EPP19660

#### **RESORT-MOUNTAIN GOLF COURSE LANDS**

**BM Mountain Golf Course Ltd.**

1. 025-838-466 Air Space Lot A District Lot 82 Highland District Air Space Plan VIP76364

#### **RESORT-HOTEL QUARTERS**

**BM Clubhouse 40 Ltd.**

1. 026-706-261 Strata Lot 7 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations B, C, D)
2. 026-706-318 Strata Lot 12 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation C)
3. 026-706-326 Strata Lot 13 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations A, C, D)
4. 026-706-342 Strata Lot 15 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation D)
5. 026-706-351 Strata Lot 16 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation B)
6. 026-706-369 Strata Lot 17 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation D)
7. 026-706-385 Strata Lot 19 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation B)
8. 026-706-474 Strata Lot 28 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations A, B, C, D)

9. 026-706-482 Strata Lot 29 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation C)
10. 026-706-504 Strata Lot 31 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations A, B, C)
11. 026-706-512 Strata Lot 32 Sec 82 Highland Dist Strata Plan VIS6037  
(Rotations A, B, C, D)
12. 026-706-521 Strata Lot 33 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations A, C, D)
13. 026-706-563 Strata Lot 37 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation A)
14. 026-706-601 Strata Lot 41 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation A)
15. 026-706-644 Strata Lot 45 Sec 82 Highland Dist Strata Plan VIS6037  
(Rotations A, B, C, D)
16. 026-706-652 Strata Lot 46 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation B)
17. 026-706-679 Strata Lot 48 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations C, D)
18. 026-706-687 Strata Lot 49 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations C, D)
19. 026-706-695 Strata Lot 50 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations A, D)
20. 026-706-709 Strata Lot 51 Sec 82 Highland Dist Strata Plan VIS6037 (Rotation D)
21. 026-706-717 Strata Lot 52 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations C, D)
22. 026-706-750 Strata Lot 56 Sec 82 Highland Dist Strata Plan VIS6037 (Rotations B, C, D)
23. 026-706-768 Strata Lot 57 Sec 82 Highland Dist Strata Plan VIS6037  
(Rotations A, B, C, D)

## **SCHEDULE D**

### **NOMINEES**

BM Highlands Lands Ltd.

BM Capella Lands Ltd.

BM 81/82 Lands Ltd.

BM Clubhouse 40 Ltd.

BM 83 Lands Ltd.

BM Highlander Development Ltd.

BM 84 Lands Ltd.

BM Highlands Golf Course Ltd.

BM Mountain Golf Course Ltd.

0884190 B.C. Ltd.

0884194 B.C. Ltd.

0884185 B.C. Ltd.

0884188 B.C. Ltd.

