

Court File No H230801

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE RECEIVERSHIP OF
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
104 INVESTMENTS LTD.**

**PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED
AND
SECTION 39 OF THE
LAW AND EQUITY ACT, R.S.B.C. 1996 c. 253 AS AMENDED**

RECEIVER'S SECOND REPORT TO COURT

December 12, 2023

**IN THE MATTER OF THE RECEIVERSHIP OF
104 INVESTMENTS LTD.**

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I. PURPOSE OF REPORT AND BACKGROUND

1. MNP Ltd. was appointed the Receiver of the assets, undertaking and properties of 104 Investments Ltd. (the “**Company**”) on October 3rd, 2023 pursuant to an Order granted by the Supreme Court of British Columbia. A copy of the Court Order is attached as **Appendix A**.
2. In addition, an agreement between the secured parties was reached that included, but was not limited to, the following:
 - a. The proceedings will be moved to Vancouver for all purposes;
 - b. The Receiver once appointed will within a reasonable time period after appointment and ideally within 10 business days, make a recommendation (the “**Receiver’s Recommendation**”) on whether it will:
 - i. complete the build out (the “**Build Out**”) before the Property is marketed;
OR
 - ii. market the property “as is” now (the “**As Is Option**”);
 - c. All parties will agree to abide by the Receiver’s Recommendation and will not bring further proceedings or applications to contest same;
 - d. The Receiver will be entitled to borrow under the borrowing certificates at the cheapest possible rates available in the market and Trez will not oppose the second mortgagee, or any other parties, funding the Build Out or the As Is Option, if the alternative lender’s rates are lower than rates which Trez was prepared to fund the receiver’s borrowing;
 - e. If the Build Out approach is recommended,
 - i. the current management team will cooperate with the Receiver and representatives of these two parties (and possibly with someone from the second mortgagee) will meet by telephone (or in person) on a bi-weekly

basis to assist and be sure the Build Out is moving ahead expeditiously and as cost effectively as possible, however this frequency of meetings may decline over time if in the Receiver deems these are not necessary or cost effective; and

- ii. If possible and seen as cost effective in the Receiver's discretion, the current QS and group of contractors working on the project will be utilized by the Receiver in the Build Out.

3. The Receiver opined on the above matters in the First Report to Court dated November 22, 2023. The Receiver determined that a sale "as is, where is" is the most efficient method and would obtain the greatest estimated net realizable value for the land and building.

Purpose of the Report

4. The purpose of this report is to:
 - a. Provide this Honourable Court the Receiver's recommendations for the sales and marketing process.
 - b. To request this Honourable Court approve the Sales and Investment Solicitation Process (the "**SISP**").

Background

5. The Company assets consist of land and building located at 555 Adams Road, Kelowna, B.C. (the "**Property**").
6. The building on the Property is approximately 50 years old and is 91,000 sq ft. metal clad warehouse situated on 7.14 acres.
7. The metal-clad warehouse is presently divided into seven distinct units of different sizes. There is ongoing work being done to stratify these units, aiming to enhance the buildings attractiveness to potential tenants and boost the lease space value.
8. Remaining work to complete the stratification is estimated at \$1 million. However, the Receiver has determined that this work would not be beneficial to the value of the Property.

9. Please see the Receiver's First Report to Court dated November 22, 2023, for a full analysis.

II. SALES AND MARKETING PROCESS

10. The Receiver requested and received three proposals and recommends that Colliers market and sell the property "as is, where is".

11. The following proposals were submitted:

- a. Royal LePage Commercial – Steve Laursen (attached as **Appendix B**)
- b. Royal LePage Commercial – Rob Archibald (attached as **Appendix C**)
- c. Colliers (attached as **Appendix D**)

12. A summary of the proposals is set out in the table below:

Proposal	Recommendation	List Price	Time to complete	Commission
Royal LePage Commercial - Steve Laursen	Sell "as is"	\$20,000,000 - \$22,000,000	6 Months	2%
Royal LePage Commercial - Rob Archibald	Sell "as is"	\$18,000,000 - \$18,500,000	N/A	N/A
Colliers - Bill Randall	Sell "as is"	\$24,000,000	4 Month	2%

13. The Receiver has reviewed the above proposals and believes that Colliers is best suited to market the Property for the following reasons:

- a. Colliers has a competitive commission structure;
- b. Colliers has expertise in the sales and marketing of commercial properties in the Kelowna in which the Property is located;
- c. Colliers has a national presence, as well as, a local presence to fully market the property across the country; and,

- d. Colliers has significant experience in completing Court-approved sales in the receiverships.
14. Colliers' marketing plan (the "**Marketing Plan**") is attached as **Appendix E**. A detailed breakdown of the Marketing Plan (the "**Marketing timeline**") is attached as **Appendix F**. Below is a summary of the Marketing Plan and the proposed SISP:
- a. Campaign preparation: January 15 – 29, 2024
 - b. Campaign launch: January 30 – March 11, 2024
 - c. Non-binding bid deadline: March 18, 2024.
 - d. Bid deadline: April 11, 2024
 - e. Bid selection and court approval: Approximately week of May 13, 2024
 - i. Period to perform final bid assessment and notification of selected bidders.
 - ii. Court approval of successful bid.
 - iii. Total estimated sales timeline of 10 to 16 weeks.
15. Attached as **Appendix G** is a the proposed SISP that the Receiver recommends.
16. The Receiver recommends engaging Colliers in connection with the proposed SISP. We believe the timeline is sufficient to elicit the highest and best offer for the Property. The Receiver recommends that the Court approve engaging Colliers to perform the SISP.

III. RECOMMENDATION TO ENGAGE COLLIERS AND DISCLOSE THE LISTING PRICE

17. We understand after discussion with various stakeholders that there may be concern with the Receiver's recommendation to engage Colliers and list the Property for \$24 million.
18. We have discussed the reasons for recommending Colliers above.

19. Colliers has recommended listing the Property for \$24 million and the Receiver supports this recommendation for the following reasons:
 - i. The Property is well known in the marketplace and rumours of high valuations placed on the Property by various stakeholders may negatively impact the interest of potential purchasers.
 - ii. Given current market conditions, buyers and brokers are deterred by properties that have no list price and may not even consider a property that has no list price disclosed.
 - iii. Buyers want to know sellers are serious and the disclosure of a list price is an indicator that the seller is serious.
 - iv. There is a far greater chance of competitive bids if a property is priced.
20. Trez Capital Limited Partnership supports both the listing with Colliers and a list price of \$24,000,000.
21. Due the reasons listed above, the Receiver recommends listing with Colliers and listing the Property at \$24 million.

IV. CONCLUSION AND RECOMMENDATIONS

22. The Receiver has obtained and reviewed three proposals.
23. Based on circumstances of this matter, including the features and conditions of the Property, current market conditions, appraised value and estimates of realizable values, and the proposals referenced herein, the Receiver recommends the proposed SISP to maximize the value for the benefit of the stakeholders herein.
24. After review of the 3 proposals the Receiver recommends engaging Colliers in connection with the proposed SISP. Colliers recommends:
 - a. A sales and marketing timeline of approximately 4-months.

b. A list price of \$24,000,000.

All of which is respectfully submitted to this Honourable Court this 11th day of December 2023.

MNP Ltd.

in its capacity as Receiver of 104 Investments Ltd.

and not in its personal or corporate capacity.

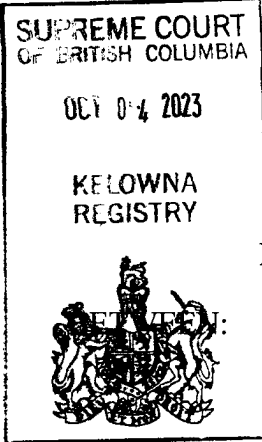
Per: *Doug Chivers*

Doug Chivers, CA, CPA, CIRP, LIT

Senior Vice President

APPENDIX A

Court Order Dated October 3, 2023



No. H137731
Kelowna Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**TCC MORTGAGE HOLDINGS INC. and TREZ CAPITAL
LIMITED PARTNERSHIP**

Petitioners

AND:

104 INVESTMENTS LTD.
DENNIS ALLAN DRUMMOND
DAVID WILLIAM BECKINGHAM
CAPITAL PROPERTIES LTD.
SUNBELT RENTALS OF CANADA INC.
JOANNE SUSAN TAYLOR THOMAS
POSNIKOFF MORTGAGE MANAGEMENT LTD.
JOHN DOE
ALL TENANTS OR OCCUPIERS OF THE SUBJECT LANDS AND PREMISES

Respondents

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
JUSTICE WILSON) 03/OCT/2023
)
)

ON THE APPLICATION of TCC Mortgage Holdings Inc. and Trez Capital Limited Partnership for an 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 (the “LEA”) appointing MNP Ltd. as Receiver and Manager (in such capacity, the “Receiver”) without security, of all of the assets, undertakings and property of 104 Investments Ltd. (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing this day at Kelowna, British Columbia.

AND ON READING the affidavits #1 of A. Previte, C. Carmichael and C. Skogen and affidavit #2 of C. Carmichael and C. Skogen, the consent of MNP Ltd. to act as the Receiver, and the

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other materials filed herein; AND ON HEARING Scott H. Stephens, counsel for the Petitioners, John Drayton, counsel for the Respondents, 104 Investments Ltd. and Dennis Allan Drummond, ~~Brian Markus on behalf of David Beckingham and Capital Properties Ltd.~~, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA MNP Ltd. is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtor, including all proceeds (the “**Property**”).

RECEIVER’S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including, without limitation, those conferred by this Order;
 - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting these amounts, including, without limitation, enforcement of any security held by the Debtor;
 - (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
 - (j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtor, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
 - (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
 - (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$50,000 provided that the aggregate consideration for all such transactions does not exceed \$150,000 and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,
- and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
 - (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
 - (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
 - (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to file an assignment into bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) on behalf of the Debtor at any time, and to act as trustee-in-bankruptcy in respect of such bankruptcy; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtor; (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all

Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any “eligible financial contract” as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour

of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court. From the Post-Receivership Accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, in reduction of the amount owing under the Petitioners' security.

EMPLOYEES

13. Subject to the employees' right to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any

employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.
16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver’s appointment; or,
 - (b) after the Receiver’s appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver’s gross negligence or wilful misconduct.

18. Notwithstanding anything in federal or provincial law, but subject to paragraph 19 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
- (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed ~~\$100,000~~ ^{\$1,000,000} (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon

the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. Neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
25. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.
26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver’s Charge and Receiver’s Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://mnpdebt.ca/en/corporate/corporate-engagements> (the “**Website**”) and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Petitioners a demand for notice in the form attached as Schedule B (the “**Demand for Notice**”). The Receiver and the Petitioners need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Petitioners from any

requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 33 of this Order, service of the Notice of Application and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days’ notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this

Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
39. The Petitioners' shall have their costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Petitioners' security or, if not so provided by the Petitioners' security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
40. Endorsement of this Order by counsel appearing on this application other than the Petitioners is dispensed with.

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

APPROVED BY:



Signature of Scott H. Stephens,
lawyer for the Petitioners

BY THE COURT

DISTRICT REGISTRAR



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that MNP Ltd, the Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and properties of 104 Investments Ltd. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia (the "**Court**") dated the _____ day of _____, 2023 (the "**Order**") made in SCBC Action No. _____ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

Schedule "B"

Demand for Notice

TO: TCC Mortgage Holdings Inc. and Trez Capital Limited Partnership
c/o Owen Bird Law Corporation
Attention: Scott H. Stephens
Email: sstephens@owenbird.com

AND TO: MNP Ltd.

Attention: Scott Andersen
Email: scott.andersen@lawsonlundell.com

Re: In the matter of the Receivership of 104 Investments Ltd.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By facsimile, at the following facsimile number (or numbers):

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

Action No. H137731

IN THE SUPREME COURT OF BRITISH
COLUMBIA

BETWEEN:

TCC MORTGAGE HOLDINGS INC. et al Plaintiff

- and -

104 INVESTMENTS
LTD. et al

Defendants

B.C. MODEL RECEIVERSHIP ORDER VERSION
NO. 3, _____, 2015

APPENDIX B

Royal LePage Commercial – Steve Laursen



555 ADAMS ROAD PROPOSAL

STEVE LAURSEN

PERSONAL REAL ESTATE CORPORATION

ROYAL LEPAGE KELOWNA

COMMERCIAL

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OUR OFFERING

Prepared for: MNP (the “Client”)

Thank you for the opportunity to present our Marketing Strategy and Valuation Proposal for the sale or lease of 555 Adams Road (the “Subject Property”) located in the North Glenmore and university Industrial area. I have assembled a fully integrated team of highly qualified professionals dedicated to the sale of this industrial asset with significant redevelopment opportunity. The Team consists of myself, Steve Laursen, as the lead senior agent and supported by RLK Commercial. I pride myself on “best in class” service in the interior Okanagan with a strong and extensive database of industrial occupants and investors throughout Western Canada along with my relationships with CBRE, Avison Young, JLL, and Cushman Wakefield throughout North America. My extensive track record provides evidence of this service - I have held a commanding market share of the total Kelowna industrial market since 2015.

With years of industry-leading experience with industrial sales and leasing, I have insight and understanding of this asset class. I have recently visited the Subject Property and conducted comprehensive market research in order to maximize value and develop a bespoke marketing and sales strategy. I recognize the Subject Property has investment and redevelopment components which I have fully explored to achieve maximum value for the disposition or lease.

I will provide baseline pricing guidance for sale and lease. I will diarize the marketing process in detail, including comprehensive progress reports provided bi-weekly, which will allow you to make timely, informed decisions.



ROYAL LEPAGE KELOWNA

COMMERCIAL

Royal LePage Kelowna Commercial is built on relationships, trust, and performance. With a black and white, direct approach to your commercial real estate success, we are passionate about creating strategic growth opportunities for our clients in some of Canada's most attractive markets. Steve and the group at RLK Commercial have extensive knowledge of the Okanagan market and a database of industrial occupants, and investors who are active in the local market currently looking for new ownership opportunities. With over \$1 billion in sales and over 2.5 million square feet in tenant/landlord representation, RLK Commercial has established itself as a leader in the Okanagan market.



www.rlkcommercial.com



RLK Commercial



@rlkcommercial



RLK Commercial

STEVE LAURSEN | PERSONAL REAL ESTATE CORPORATION



Over the course of 20 years, Steve Laursen has established himself as a leading real estate professional in the Okanagan region of British Columbia. Specializing in the commercial market, Steve possesses a broad scope of real estate capabilities, including industrial, office, and retail leasing and land, building, and investment sales. By focusing on the Okanagan, he has developed comprehensive knowledge and a keen understanding of the market as it continues to grow and evolve. As a result, he provides creative, value-add solutions for his clients' needs.

Steve nurtures lasting relationships with a range of real estate professionals in Kelowna and across North America, including brokers, developers, investors, and multi-national, industrial, and office occupants. Paired with Steve's perseverance, passion, and confidence, this far-reaching network is an integral part of his and his clients' successes.

As a top-producing agent with Royal LePage Kelowna Commercial, Steve has worked closely with various national commercial real estate firms to complete leasing mandates, project marketing partnerships, land acquisition, and disposition, building, and investment assignments. He has worked in partnership with CBRE, Avison Young, Cushman Wakefield and JLL on multiple assignments during his career. To date, over \$1 billion in sales and over 2 million square feet in tenant/landlord representation have been orchestrated by Steve since 2015.

WE HAVE THE CAPABILITIES, EXPERTISE, AND EXPERIENCE TO SUCCESSFULLY EXECUTE THIS IMPORTANT ASSIGNMENT. WE ARE EXCITED AND READY TO GO!



RLK COMMERCIAL | ASSOCIATES, COORDINATION, AND MARKETING

RLK Commercial offers a perfect combination of local presence, client support, marketing, and research. From the beginning stages of analysis and positioning to developing a custom marketing plan, RLK Commercial has the experience, resources, and engine behind them to drive success.



JENNA FACINEK
Executive Assistant to
Steve Laursen

**COMMUNICATIONS,
PROJECT COORDINATION,
AND TRANSACTION
MANAGEMENT**



MEGHAN CORTESE
Personal Real Estate Corporation

SENIOR AGENT



MORGAN ASLING
Executive Assistant to
Meghan Cortese

**COMMUNICATIONS,
PROJECT COORDINATION,
AND TRANSACTION
MANAGEMENT**



TRISTAN CHART
Agent

**CERTIFIED FINANCIAL
ANALYST**



JOEY STENSLAND
Junior Agent

MARKET RESEARCH

MARKETING
Cyrus Gandevia

**MARKETING DEVELOPMENT
AND GRAPHIC DESIGNER**



MARKETING EXECUTION

1) A Coordinated Marketing Campaign

- Commitment to marketing the property in the Okanagan, Vancouver, Fraser Valley, Vancouver Island and Alberta markets – maximum exposure
- The listing agent will travel between all cities to ensure marketing tasks are completed and for in-person meetings with potential purchasers and brokers

2) Experience

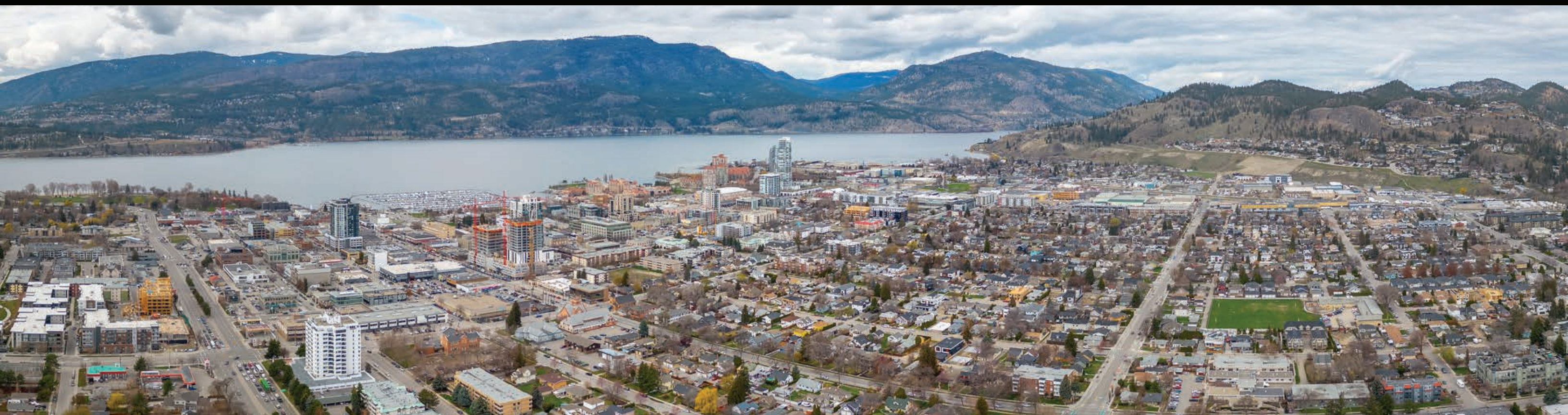
- Extensive market knowledge and relationships in Kelowna and Metro Vancouver provide guidance for price point
- Knowledge of which marketing tasks are worth spending time and resources on
- Existing occupier databases in Kelowna and the Okanagan Valley
- Investor database throughout BC and Alberta
- Developer database in Vancouver

3) Process

- We know how to communicate the benefits of the property to potential purchasers
- We have a process for reporting to reduce the burden on the seller
- Consistent reporting on market feedback will provide the seller information necessary to “pivot” if necessary

4) Target Areas

- **Interior BC** – Direct marketing campaign to occupants, investors, developers and the automotive industry who are actively looking for land and investment opportunities.
- **Fraser Valley and Vancouver** – With the current vacancy rate in the Vancouver and Fraser Valley markets, we are receiving greater inquiries than ever before from occupants, investors, developers and brokers seeking new opportunities for their business’ and clients. The investors look at Kelowna as an opportunity compared to Vancouver given the current pricing of land and lack of inventory. I meet with brokers and investors in Vancouver as often as possible to push the Kelowna investment opportunity.
- **Alberta** – Direct marketing campaign to developers, investors and occupants in Alberta who have been searching for Okanagan opportunities over the past 12 months.



LAUNCH STRATEGY

MARKETING PLAN

Pre-Market Launch - 14 days from Listing Contract execution

1) Work closely with the Client on customized marketing materials including but not limited to the following:

- Detailed brochure incorporating current professional photography
- Site and premises plan for marketing use
- Pricing and inducement strategy
- Email campaign template
- MLS draft listings
- Social media templates
- List of targeted concepts that are aligned with the Client's vision for the premises

2) Marketing Task Timeline

- Timeline to be determined by the Client and the Team collaboratively
- The timeline will cover all tasks to be completed and projected dates

Marketing Launch Timeline Suggestions

DAY 1 - 2

- Marketing Launch: MLS, email campaigns, social media, direct email and calls.
- This will attract a direct response from occupants or investors. We will direct call our extensive database following the email campaigns and social media launch. Our database has been built on our experience with similar properties in the Kelowna market, so we know these contacts are interested in industrial and investment product.

Day 6 / Ongoing

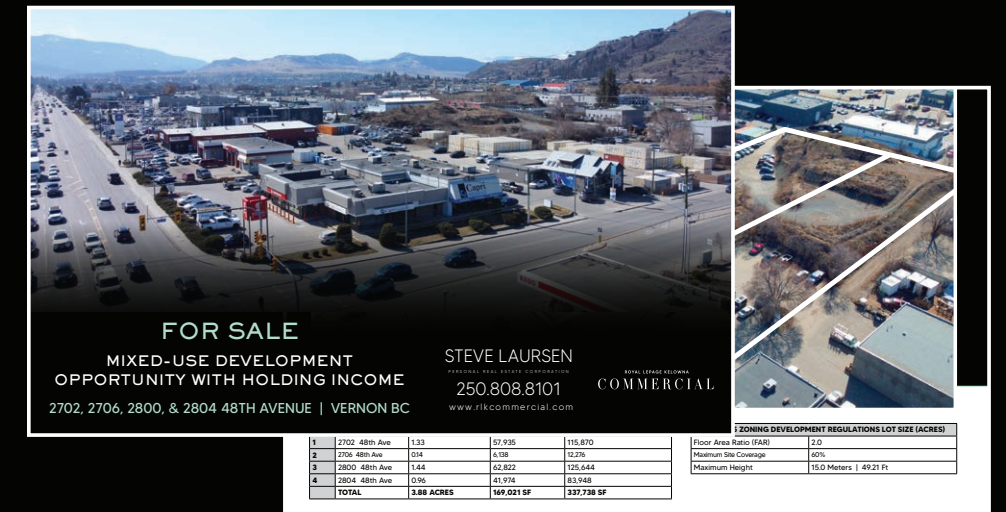
- Penticton, Kelowna, and Vancouver Broker meetings
- In-person presentation directly to notable potential occupants
- In-person presentations to the retail and leasing brokers at JLL, Avison Young, Cushman &
- Wakefield, Colliers, and CBRE to educate brokers on the product and the Penticton / Okanagan market for their occupier or investor clients.

3) Existing Databases - Ongoing efforts

- Cold calls and direct mail to Okanagan users
- Cold calls and direct mail to interior BC developers and users
- Cold calls to investor database
- Cold calls to Vancouver and Vancouver Island database

4) Brokerage Relationships / Network

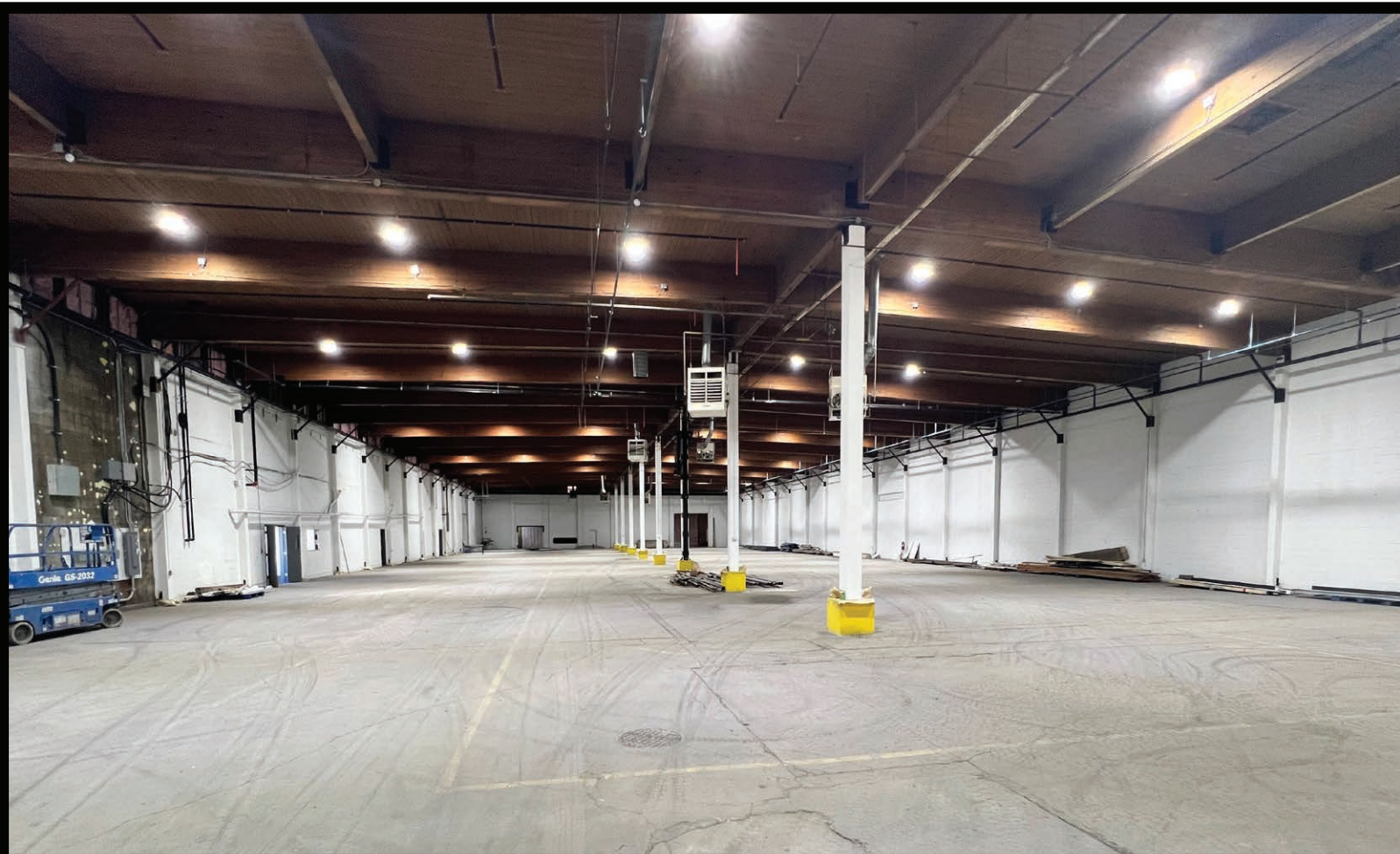
- Continue meetings and presentations with all relevant brokerages in Vancouver and the Okanagan



555 ADAMS ROAD

SUBJECT PROPERTY OVERVIEW

555 Adams Road, located in the heart of the North Glenmore and University Industrial area, presents a significant opportunity with its 7.14 acres of industrially zoned land and a substantial 100,000 square-foot building, constructed in 1967 (approximate). Its strategic positioning includes extensive frontage along Highway 97, effortless access to the Kelowna International Airport, and seamless connections to the region's primary transportation routes. This property holds great appeal for occupiers, investors and developers seeking a prime industrial building.



ADDRESS OF PROPERTY
555 Adams Road, Kelowna BC

LAND AREA
7.14 Acres | 311,018 SF

LEGAL DESCRIPTION
LOT 20, PLAN KAP30107, SECTION 2,
TOWNSHIP 23, OSOYOOS DIV OF YALE
LAND DISTRICT

BUILDING AREA
100,000 SF

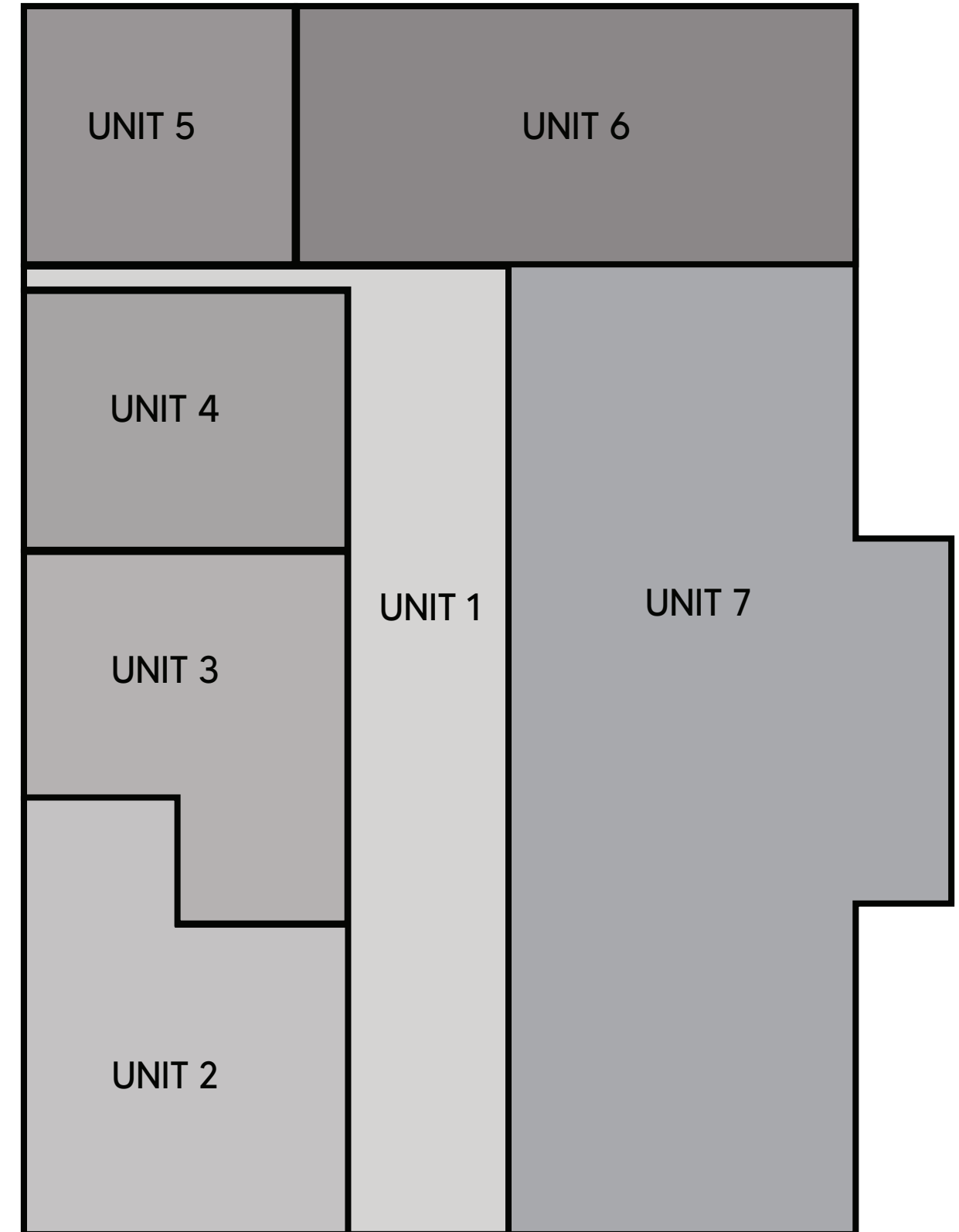
ZONING
I2 General Industrial

PROPERTY IMPROVEMENT SUGGESTIONS

Based on my most recent visit to the property and reviewing the building plans for the sub-division, I would suggest the following could be completed by the monitor but do not believe it will add enough value to the sale price to complete this work at this time. I would however urge you to have a contractor and engineer review the following thoughts, inspect the building and provide a report to prove this can be done and then clean up the current space plan accordingly for marketing purposes. I would also suggest some minor work and further clarification on the current building specs. Please review my suggestions below;

- Review how many grade load doors, minimum 10'x12' can be placed along the frontage of Adams Road
- Review all internal walls and mark out which can be removed, and which must remain due to structural integrity.
- Removing all walls in units 2, 3 and 4 to open up the space and later provide demising walls as per tenant demand would create more options and a better space plan to tenants/occupiers.
- Review opening up the walls in unit 1 to be combined with units 2, 3, 4, 6 and 7. By doing this you will make this area more useable to tenants occupying the open warehouse space by providing a smaller rear mezzanine area as unit 1 as-is is not user friendly. You can now provide demised mezzanine areas to the bays fronting Adams and Highway 97.
- Inspect the roof and provide a report.
- Survey the mezzanine to provide proper square footage.
- Inspect all utilities and provide a report of load capacities for the building.
- Provide any cost estimates on hand for utility upgrades and roof replacement if needed.
- Tidy up yard area.
- Finish the exterior cladding in the last remaining areas.

BUILDING PLAN



PRICE GUIDANCE | SALE

This approach compares the Subject Property to other properties that are currently on the market for sale or have recently sold in the area with similar characteristics to the Subject Property.

Currently the market has two complete options listed for sale, the former BC Tree Fruits building located at 3335 Sexsmith Road, this property is approximately 148,000 square feet on approximately 14 acres of industrial land listed at \$39,000,000. This property has received a lot of attention but no offers or serious interest currently according to their listing agent. 375 Potterton Road is also listed for sale at an asking price of \$31,000,000, this property is approximately 133,000 square feet and fully tenanted representing a 4.85% cap rate with half the building at under-market rents. As one of the listing agents I can report we received tremendous interest and soft offers from 4 groups around \$25,000,000 which were of no interest to the current owners at this time.

In 2023 there have been a few transactions over 10,000 square feet, most notably 9640 McCarthy Road, a pre-sale at IntraUrban McCarthy of 43,000 square feet. 2646 Kyle Road, 41,214 square feet of new construction industrial in West Kelowna and 1704 Government Street in Penticton which is 95,000 square feet on 10 acres of land which was purchased for a mixed-use redevelopment. These property sales represented values from \$240 - \$360 per square foot.

Therefore, based on an approximate 100,000 square feet, which needs to be verified as the plans show 90,658 square feet on the main floor and 15,116 square feet of mezzanine area which I do not believe is fully completed, the resulting value of the Subject Property in **as-is condition** would be as follows:

555 Adams Road:

100,000 x \$200 = \$20,000,000

100,000 x \$220 = \$22,000,000

PRICE GUIDANCE - \$20,000,000 to \$22,000,000

*Building area to be verified

COMPARABLE SALE TRANSACTIONS

Sale Date	Address	Price	Building Size (SF)	Size (Acres)	Price Per SF
May 2023	2646 Kyle Road, West Kelowna	\$13,400,00	41,214 SF	N/A	\$325
May 2023	1705 Government Street, Penticton	\$23,000,000	95,404 SF	10.83 Acres	\$241
January 2023	692 Adams Court	\$3,750,000	7,700 SF	0.46 Acres	\$487
July 2022	675 & 683 Dease Road	\$14,150,000	48,000 SF	3.06 Acres	\$295
December 2021	375 Potterton Rd & 8826 Jim Bailey Cres	\$58,000,000	266,000 SF	14 Acres	\$218



PRICE GUIDANCE | LEASE

This approach compares the Subject Property to other properties that are currently on the market for lease or have recently leased in the area with similar characteristics to the Subject Property.

Currently the industrial leasing market is still active with deals of 10,000 - 80,000 sf completing at rates ranging from \$12.50 to \$18.00 per square foot. The challenging market competition in the lower rate range is Callahan Property Group and Argus Properties with current vacancy on Beaver Lake Road, although further away from the city centre, the Landlord has been successful in attracting 500,000 square feet of tenants since 2020 due to new generation industrial buildings with 28' clear height and a mixture of dock and grade loading. Tenants who want to be closer to the city centre are willing to pay higher rates for new generation industrial space although inventory is limited at this time, but 2024 is expected to bring on further vacancy with new projects completing which may drive rates down slightly.

The Subject Property would be attractive to tenants given the location, access, and exposure to Highway 97, given the lower ceiling height of 18-20' clear and grade loading I would suggest a list price in the mid-range of market. Currently 200 Campion Street would be the main competitor to the Subject Property offering 59,250 square feet at an asking of \$13.50, Campion has been actively marketed for sale and lease since 2021, this property is older generation with an A-frame sloped roof and is in fairly poor condition. I feel that 555 Adams is a good offering and would be more attractive than Campion but could require the following Landlord work per demisable bay.

- Individual loading bays
- Entrance with glazing
- Signage opportunity
- Separate power at a minimum of 200 amps 120/208V
- Washroom
- Upgraded lighting if not already installed
- Small office (this is not a must, but tenants do ask for this to be completed by the landlord often)

THEREFORE, THE SUGGESTED LIST PRICE FOR LEASE:

IMPROVED SMALL BAY 10,000SF+:
\$15.00 - \$16.00 PER SF PLUS NNN

AS-IS
\$13.50 PER SF PLUS NNN

COMPARABLE LEASE TRANSACTIONS

*SUBJECT PROPERTY AREA

SALE DATE	ADDRESS	LEASE RATE	BUILDING SIZE (SF)
January 2023	3077 Sexsmith Rd	\$16.50	12,840 SF
November 2022	3376 Sexsmith Rd	\$14.50	10,000 SF
October 2022	#1 200 Campion St	\$11.25	60,060 SF



TRACK RECORD



375 POTTERTON RD & 8826 JIM BAILEY CRES.
 KELOWNA | 14 ACRES | 265,173 SF
 Kelowna Industrial Portfolio
 SOLD Q3 2015 | \$22,000,000



375 POTTERTON RD & 8826 JIM BAILEY CRES.
 KELOWNA | 14 ACRES | 265,173 SF
 Kelowna Industrial Portfolio
 SOLD Q1 2022 | \$58,000,000



1100 MAYFAIR ROAD
 KELOWNA | 3.809 ACRES
 Industrial Distribution Facility
 SOLD Q4 2020



290-300 RIVERSIDE DRIVE
 PENTICTON | 46,000 SF
 Multi-Unit Shopping Centre
 SOLD Q4 2021



2100 RUTLAND ROAD N
 KELOWNA | 4.5 ACRES
 Re-Development Land
 SOLD Q1 2023



BUILDING 1 2648 KYLE RD
 WEST KELOWNA | 34,575 SF
 Multi-Unit Industrial Building
 SOLD Q4 2021



726-816 CLEMENT AVENUE
 KELOWNA | 5.22 ACRES
 Development Land
 SOLD Q1 2017



2648 KYLE ROAD
 WEST KELOWNA | 7.39 ACRES
 Development Land
 SOLD Q1 2021



9640 MCCARTHY ROAD
 KELOWNA | 3.88 ACRES
 Development Land
 SOLD Q4 2021



KNOX VILLAGE
 KELOWNA | 4 BUILDINGS
 Multi-Family
 SOLD Q1 2022 | \$86,500,000

TRACK RECORD



3901 30TH AVENUE
 VERNON | 1.19 ACRES
 Multi-Family Re-Development
 SOLD Q4 2021



313 BERNARD AVENUE
 KELOWNA | 10,921 SF
 Multi-Unit Retail & Office
 SOLD Q1 2021



2300 LECKIE ROAD
 KELOWNA | 78,000 SF
 Office Building
 SOLD 2016



PROXIMA
 KELOWNA | 58,588 SF | 59 UNITS
 Multi-Family
 SOLD Q1 2022



3535 CASORSO ROAD
 KELOWNA | 24.6 ACRES
 Multi-Family
 SOLD Q3 2020



THE LODGES
 KELOWNA | 157 UNITS
 Multi-Family
 SOLD Q4 2020



BERNARD LAND ASSEMBLY
 KELOWNA | 1.76 ACRES | 9 LOTS
 Multi-Family Re-Development
 SOLD Q1 2023



INTERIOR BC APARTMENT PORTFOLIO
 VARIOUS CITIES | 3 PROPERTIES
 Multi-Family
 Sold Q4 2021

TRACK RECORD | PROJECT MARKETING

OVER 1.2 MILLION SQUARE FEET SOLD AND LEASED IN INDUSTRIAL PROJECTS

PREVIOUS PROJECTS



JIM BAILEY INDUSTRIAL CENTRE	
CITY:	Kelowna, BC
TOTAL PROJECT SIZE:	35,596 SF
UNIT SIZE RANGE:	1,404 SF - 35,596 SF
MARKETING LAUNCH:	February 2021
SELL OUT:	December 2021
PROJECT COMPLETION:	November 2021
DEVELOPER:	J2R Land Developments



MATRIX BUSINESS CENTRE	
CITY:	Kelowna, BC
TOTAL PROJECT SIZE:	43,161 SF
UNIT SIZE RANGE:	3,299 SF - 43,161 SF
MARKETING LAUNCH:	March 2021
SELL OUT:	October 2021
PROJECT COMPLETION:	August 2021
DEVELOPER:	Eagle Builders



POWERHOUSE	
CITY:	Kelowna, BC
TOTAL PROJECT SIZE:	55,388 SF
UNIT SIZE RANGE:	948 SF - 55,388 SF
MARKETING LAUNCH:	November 2019
SELL OUT:	April 2021
PROJECT COMPLETION:	July 2021
DEVELOPER:	PC Urban & Nicola Wealth Real Estate



BUILDING 1 & 2 - 2648 KYLE ROAD	
CITY:	West Kelowna, BC
TOTAL PROJECT SIZE:	75,811 SF
UNIT SIZE RANGE:	1,410 SF - 75,811 SF
MARKETING LAUNCH:	January 2019
SELL OUT:	August 2019
PROJECT COMPLETION:	September 2020
DEVELOPER:	Denciti Development Corp

TRACK RECORD | PROJECT MARKETING

PREVIOUS PROJECTS



INTRAURBAN ENTERPRISE

CITY: Kelowna, BC
TOTAL PROJECT SIZE: 65,840 SF
UNIT SIZE RANGE: 2,045 SF - 65,840 SF
MARKETING LAUNCH: September 2017
SELL OUT: June 2020
PROJECT COMPLETION: March 2020
DEVELOPER: PC Urban & Nicola Wealth Real Estate



STOREHOUSE

CITY: Kelowna, BC
TOTAL PROJECT SIZE: 31,918 SF
UNIT SIZE RANGE: 1,080 SF - 31,918 SF
MARKETING LAUNCH: October 2017
SELL OUT: May 2018
PROJECT COMPLETION: May 2018
DEVELOPER: Stretch Construction



TRACK RECORD | PROJECT MARKETING

CURRENT PROJECTS



STRATOSPHERE BY BEEDIE	
CITY:	Kelowna, BC
TOTAL PROJECT SIZE:	144,914 SF
UNIT SIZE RANGE:	7,645 SF - 144,914 SF
ESTIMATED COMPLETION:	Summer 2024
PRE-SOLD:	13% Sold (October 2023)
DEVELOPER:	Beedie



2105 MATRIX CRESCENT	
CITY:	Kelowna, BC
TOTAL PROJECT SIZE:	17,570 SF
UNIT SIZE RANGE:	861 SF - 17,570 SF
PROJECT COMPLETION:	September 2023
LEASED:	62% Leased (October 2023)
DEVELOPER:	3rd Gen Barons Holdings Inc.



INTRAUROBAN MCCARTHY	
CITY:	Kelowna, BC
TOTAL PROJECT SIZE:	105,871 SF
UNIT SIZE RANGE:	2,068 SF - 105,871 SF
ESTIMATED COMPLETION:	Summer 2024
PRE-SOLD:	51% Sold (October 2023)
DEVELOPER:	PC Urban & Nicola Wealth Real Estate



SALT CENTRE	
CITY:	Vernon, BC
TOTAL PROJECT SIZE:	350,000 SF 8 Buildings
UNIT SIZE RANGE:	2,500 SF - 350,000 SF
ESTIMATED COMPLETION:	TBD
DEVELOPER:	Wesmont Group

TRACK RECORD | PROJECT MARKETING

CURRENT PROJECTS



THE LODGES	
CITY:	Kelowna, BC
TOTAL PROJECT SIZE:	19,243 SF
UNIT SIZE RANGE:	825 SF - 19,243 SF
PROJECT COMPLETION:	2020
LEASED:	88% Leased (October 2023)
DEVELOPER:	PC Urban & Nicola Wealth Real Estate



SILVER STREAM BUSINESS PARK	
CITY:	Kamloops, BC
TOTAL PROJECT SIZE:	194,968 SF 2 Buildings
UNIT SIZE RANGE:	3,108 SF - 194,968 SF
ESTIMATED COMPLETION:	Q4 2023
PRE-LEASED/SOLD:	46% Leased/Sold (October 2023)
DEVELOPER:	Cedar Coast & Orion Construction



2540 & 2544 ENTERPRISE	
CITY:	Kelowna, BC
TOTAL PROJECT SIZE:	67,179 SF
UNIT SIZE RANGE:	939 SF - 67,179 SF
PROJECT COMPLETION:	March 2023
LEASED:	99% Leased (October 2023)
DEVELOPER:	Worman Commercial

LISTING AGREEMENT

Listing6 Months

Sale Commission2% of sale price

(Cooperating Brokers to receive 50% of the commission)

Lease Commission....5% of net rent for years 1-5

3% of net rent thereafter

(Cooperating Brokers to receive 50% of the commission)

Marketing Costs.....100% of the costs paid for by Listing Agent

MLS Listed upon marketing launch

I look forward to speaking with your team further about this exciting opportunity. Please feel free to call me at anytime should you have any questions or comments regarding my proposal or contents therein prior to meeting.

Sincerely,



Steve Laursen
Royal LePage Kelowna Commercial

ROYAL LEPAGE KELOWNA

COMMERCIAL



ROYAL LEPAGE KELOWNA

COMMERCIAL

APPENDIX C

Royal LePage Commercial – Rob Archibald

From: Rob Archibald <robarchibald@shaw.ca>
Sent: Monday, October 16, 2023 4:33:50 PM
To: Douglas Chivers <Douglas.Chivers@mnt.ca>
Subject: 555 Adams Road,

CAUTION: This email originated from outside of the MNP network. Be cautious of any embedded links and/or attachments.

MISE EN GARDE: Ce courriel ne provient pas du réseau de MNP. Méfiez-vous des liens ou pièces jointes qu'il pourrait contenir.

Good afternoon , Doug,

I assume you would prefer an opinion of value as soon as possible, so I will provide mine in a quick email as opposed to lengthy CMA and assessment.

This is an exercise in highest and best use.

I met Dave Colley on site Thursday afternoon and walked through the building. He was and continues to be very helpful.

Your question was to consider whether to renovate the building or sell as is.

Although the building is in decent condition, it is approaching an age when investing into power separation, washrooms, proper lighting, and general improvements for each unit would result in substantial costs.

The building does have some plumbing and electrical panels to certain units, but not all.

My personal feeling is that those costs would not increase the value of the lease spaces enough to warrant the investment.

Typical large older buildings that offer multiple lease units are leasing for anywhere from \$12.00- \$15.00 per sq. ft. in strong market conditions, providing they are properly finished. We are not in such a market at the moment.

On an as is where is bases, with minor improvements I feel a lease rate f \$11.00- \$12.50 is achievable on both the finished units and the smaller ones, the larger spaces, units 1 and 7 that total 59, 240 sf would be quite difficult to lease and would have reduced lease rates.

Individual standalone buildings offering excess land, security and unit sizes ranging from 10,000 – 18,000 sf are being offered from \$14.00 - \$16.00 sf, however, the majority of those have been on offer for several months and remain vacant.

I am attaching one property that compares reasonably well to Adams Road. This property is zoned I3 Heavy Industrial, which provides less business allowances than Adams Road, being I2 General industrial. The property is located on Haldane Road, an industrial park approx.. 15 minutes north of Adams Road.

- 72,960 sf total comprising of 3000 sf office and balance warehouse.
- 9.98 acres flat and useable
- Sale price \$21,500,000. Year 2021, which was a substantially stronger market.

On a land size valuation this property sold for \$2,154,308.62 per acre.

Considering the superior zoning and substantially better location offered on Adams Road, I would apply a 12% premium for the subject property. This would place a land / building value of approximately \$2,412,825.65 per acre.

My information suggests that the subject building offers just under 95,000 sf leasable space. This indicates a 33% site coverage, so I don't see much excess developable land.

Assuming an average attainable lease value of \$11.00 sf, the breakdown would be as follows.

$(\$11.00 \text{ sf} \times 95,000) \times .98\% \text{ (2\% vacancy)} \times .95\% \text{ (5\% expenses)} / 5.5\% \text{ capitalization rate} = \$17,689,000$. A developer would need to factor in demolition costs.

Using a per acre valuation we end up with the following:

$7.14 \text{ acres} \times \$2,412,825.65 = \$17,227,575.17$

Obviously, we could adjust numbers to increase the value, however, as we know it will depend on what a developer / investor is willing to risk on a property such as this.

So, based on this I would suggest a fair market list price of between \$18,000,000 - \$18,500,000.

Please let me know if I can be of further assistance.

Thank you,
Rob

ROB A. ARCHIBALD
Kelowna Commercial Real Estate

Direct 250-717-6688
RobArchibald@shaw.ca
<http://www.kelownacommercial.com>



INDUSTRIAL | COMMERCIAL | INVESTMENT | REAL ESTATE

APPENDIX D

Colliers



October 18, 2023

Mr. Doug Chivers
Senior Vice President
MNP Ltd.
Ste. 430, 505 Burrard Street
Vancouver, BC V7X 1M3

Re: 555 Adams Road, Kelowna, BC

Dear Doug,

Further to our tours of the property, review of material provided, and analysis of the current Kelowna industrial market, we are pleased to provide the attached opinion of value and the below recommendations/ observations.

The building is approximately 90,000 Sq. Ft. (not including the mezzanine) on 7.14 acres. The original building was constructed in 1967 with additions added over the years. The seven bays are not necessarily the best configured for industrial use and the loading bays are not necessarily all in the best location, however, the building still has a useful life and, in whole or in part, is workable for an owner-user or multiple tenants. While not comparable to more modern buildings, this property is well-suited for an owner-user or multi-tenants, looking for an affordable solution with some yard storage and good parking.

Our recommendation would be to take this to market "as is" and not spend any additional money on the property. If a buyer wants to further demise the premises, or do tenant improvements, that is their decision, but it also may be the case that a buyer demolishes some of the existing improvements to make the building more usable for themselves.

The concept of subdividing into three lots or that the property could attract an investor/developer willing to build to a 1.5 FAR is simply nonsensical. With the mezzanine, the property has a site coverage of 32.5%, the property is impacted by the slope on the highway side of the site, effectively making the site coverage 35 to 38%. The typical site coverage of industrial facility of this nature is in the low 40% range. If you subdivided into three lots, you would be left with a building on one lot, no parking and loading so tight, the building would never lease.

The subdivision into three lots will likely not add value and may actually decrease the value of the property. If a land play and potential subdivision was of interest than the existing building should be demolished. For a user or tenant(s) to use this building, they need good loading, parking, and potentially a bit of yard storage.

To consider a build out of 1.5 FAR, you would be looking at a 3 to 6 story industrial building and there is absolutely no demand for that type of product.



Regarding market conditions and timing, the industrial real estate market in Kelowna has come off it's high, but it is still active, and we expect to see continued growth over the next several years as the Okanagan region continues to grow, with Kelowna being the center of the growth. It is hard to time the market, the current interest rate environment, and difficulties with bank financing can make deals more challenging today, however, we feel if priced correctly this property would garner good demand. There are three logical purchaser groups; a user who can make use of the property in its current state, an investor who will lease the property out and possibly re-develop in the future, or a developer who is interested in the land to build on and will demolish the building.

We would recommend taking the property to market immediately.

The property offers tremendous exposure to the highway, is a relatively rare large industrial site and is in a growing market; all of these should contribute to good demand for the property.

Please feel free to call with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Randall".

Bill Randall
Executive Vice President

A handwritten signature in black ink, appearing to read "Stephen Webber".

Stephen Webber
Associate Vice President

A handwritten signature in black ink, appearing to read "Eric Weber".

Eric Weber
Vice President



▼ Rendering of renovated building



555 Adams Road, Kelowna, BC

Valuation & Marketing Proposal

Prepared for: **MNP**

Prepared by:

Eric Weber
Personal Real Estate Corporation
Vice President
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Mobile +1 250 212 8550
eric.weber@colliers.com

Stephen Webber
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Bill Randall
Personal Real Estate Corporation
Executive Vice President
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bill.randall@colliers.com

Executive Summary

Valuation and Listing Proposal

October 19, 2023

555 Adams Road (herein referred to as the "Subject Property"), is an older existing building of approximately 90,626 SF (not including the mezzanine area in Unit 1), which has been divided into seven bays ranging from 5,095 SF to 31,783 SF. The property is currently undergoing a renovation that is 80-90% complete and includes a new roof. It's situated on a 7.14 acre site that has some sloped areas adjacent to the highway which limits the developable area of that portion of the site.

The value estimate indicates an overall range of \$19,000,000 to \$22,200,000. The property has the benefit of highway exposure and being an existing facility that is close to move-in ready; however, it faces challenges such as bay dimensions, limited loading access in some parts of the building, is vacant (in the case of an investor purchase), and there are competing properties that are currently on the market. Given these factors, we would expect a sale price in the range of 20,000,000 to \$22,000,000.

Note:

The indicated value(s) are based on the following assumptions:

- the sizes are based on the architecture drawing as provided,
- no additional value is contemplated for any excess land given the current site coverage and that the areas to the south and north of the building are required for access and egress to the loading bays
- the lot remains one legal lot, subdivision into three lots would eliminate much of the parking and loading area for the building which would dramatically impact the usability of the building.



Eric Weber
Vice President



Stephen Webber
Associate Vice President



Bill Randall
Executive Vice President



Property Overview

Civic Address	555 Adams Road, Kelowna, BC
Neighbourhood	Reid's Corner Industrial Area
PID	004-063-031
Lot Size	7.14 Acres
Current Zoning	I2 General Industrial
Existing Improvements	90,626 SF Industrial Building (not including mezzanine area in Unit 1)
Taxes (2023)	\$183,974.45



**BC Assessment
(2023)**

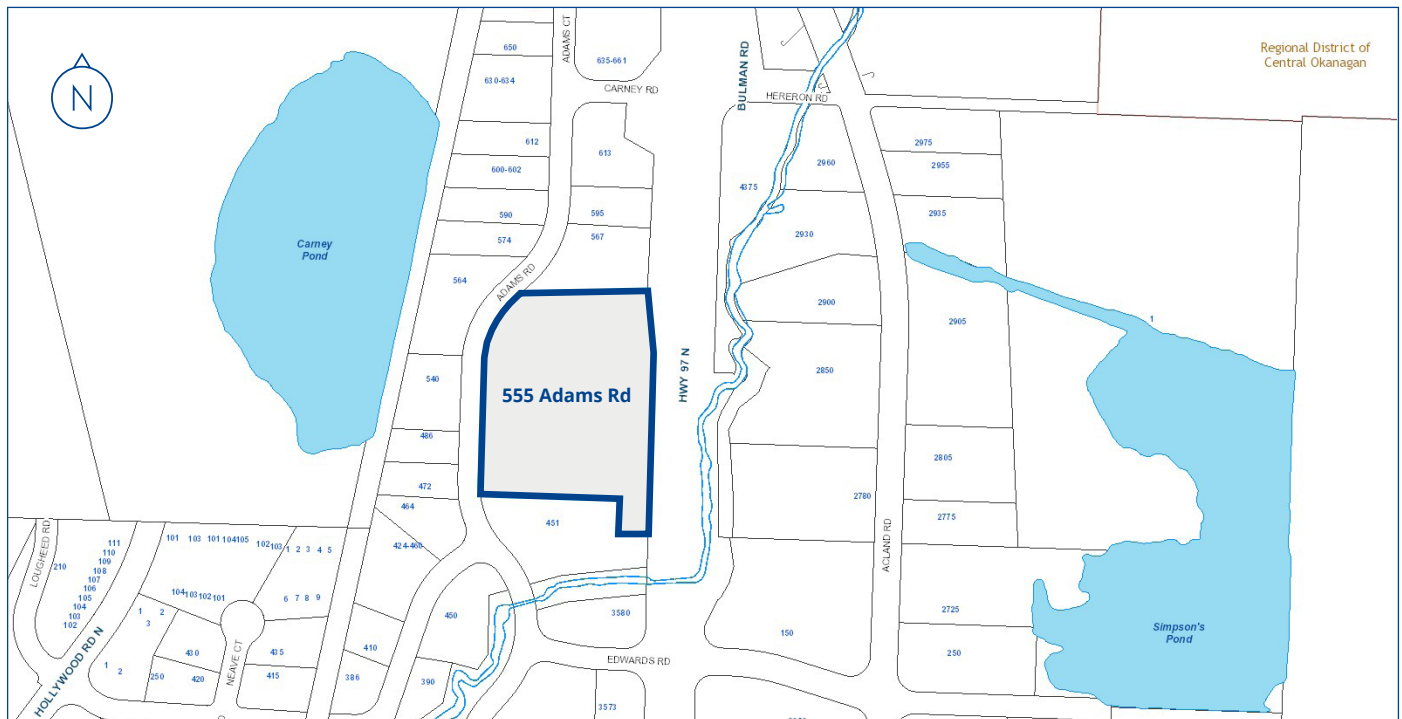
Land
\$7,803,000

Improvement
\$9,528,000

**Total
Assessed Value
\$17,331,000**

Legal Plan

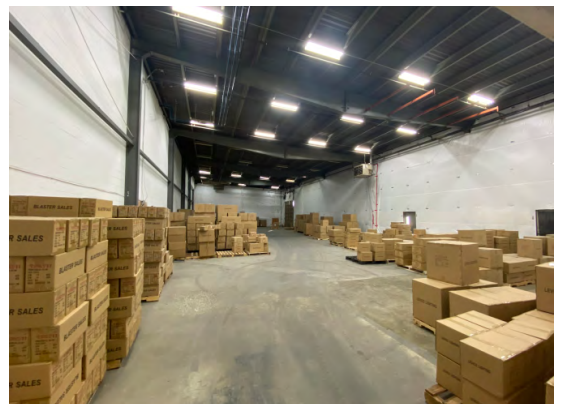
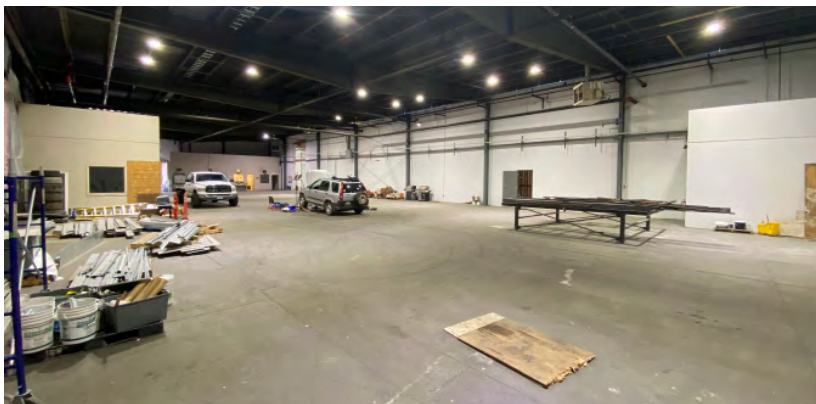
Lot 20 Section 2 Township 23 Osoyoos Division Yale District Plan 30107





Property Overview

Interior





Property Overview

Renovation Plan

The renovation plan is to convert the 7 zones into 7 units by installing separate electrical, mechanical and plumbing services and closing in the minor openings between the zones.

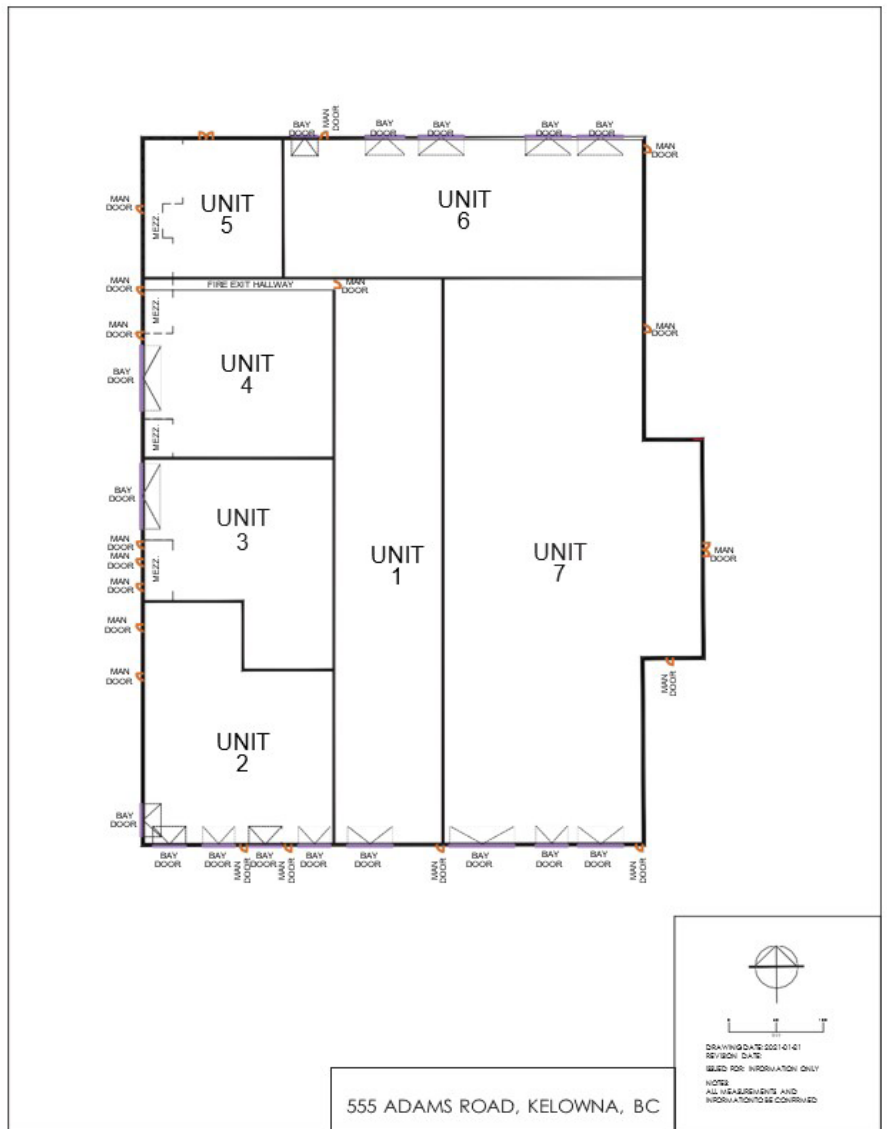
An interior and exterior face-lift is also proposed to be done.

The improvements are reported to be 80-90% complete.

Unit Number	Unit Size (SF)
1	14,502*
2	10,111
3	8,670
4	8,271
5	5,095**
6	12,194
7	31,783
Total	90,626

*Unit 1 has a mezzanine covering 90% of the ground floor area. A second floor may be beneficial for a few tenants, however it would have extremely limited appeal to the rest of the market. Therefore, for our analysis we have used just the main floor area for Unit 1. **The existing mezzanine may actually be a detriment to leasing unit #1 as the ceiling heights in the warehouse will be very low.**

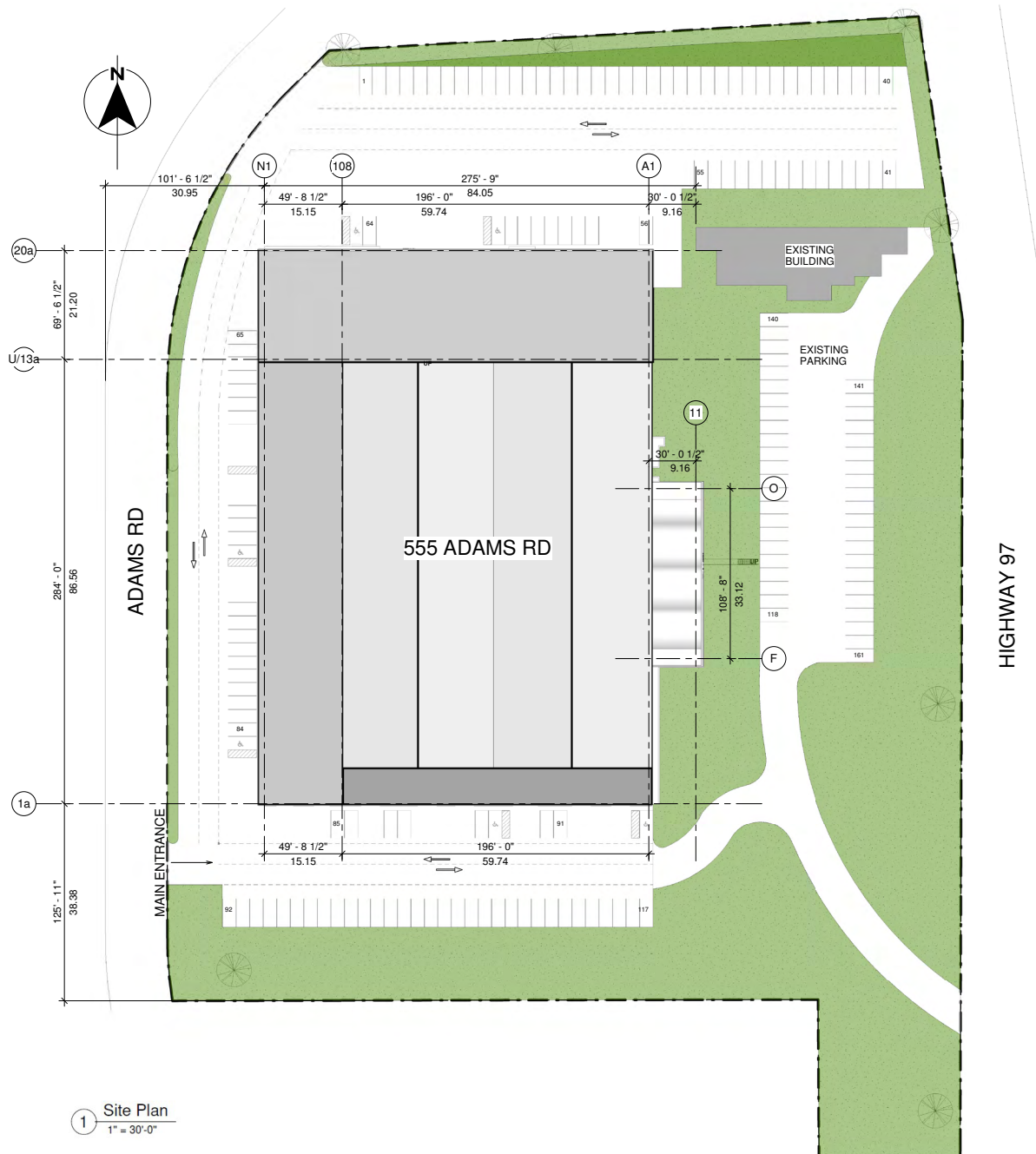
**Unit 5 has no overhead door.





Property Overview

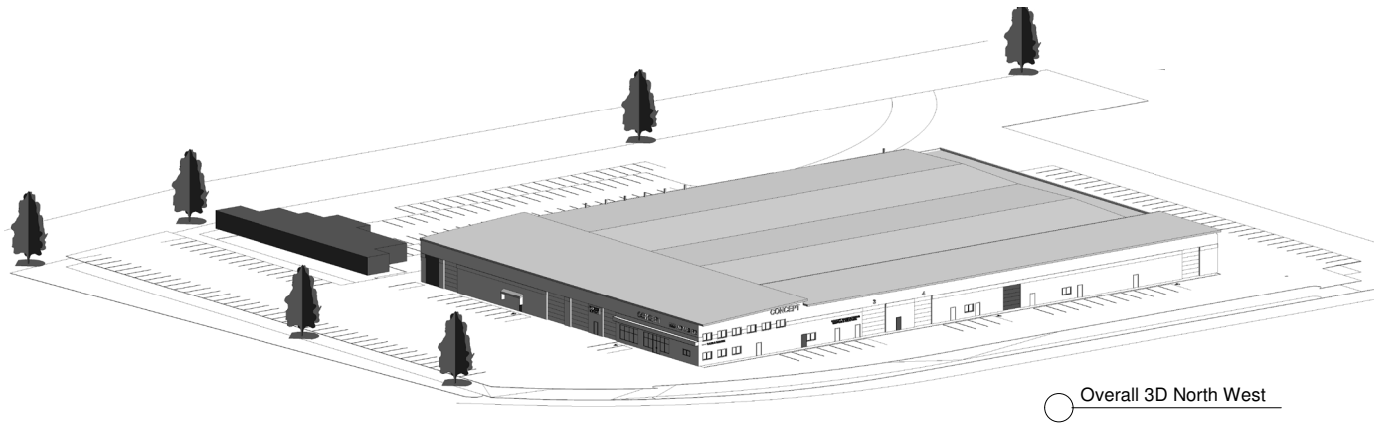
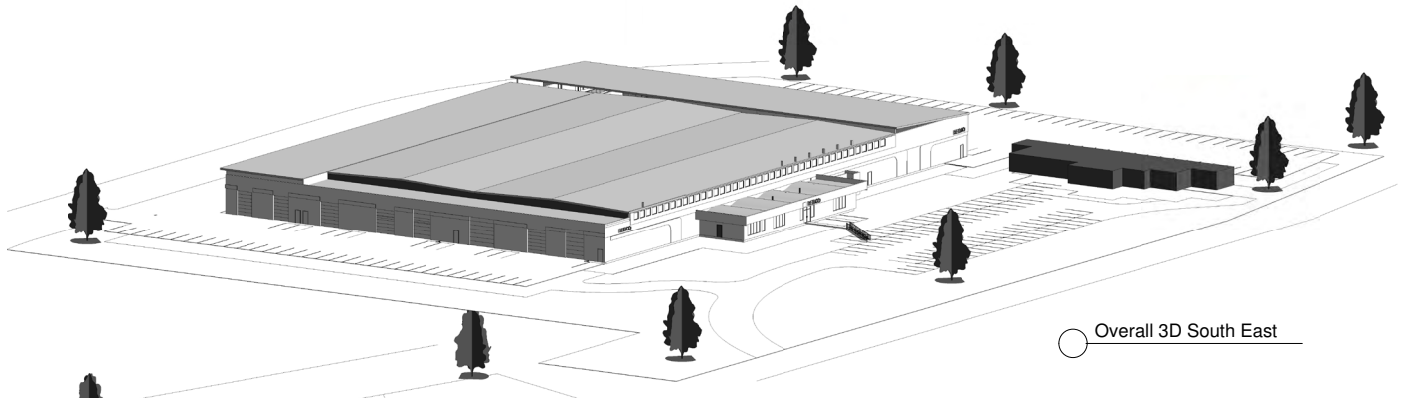
Renovation Plan





Property Overview

Renovation Plan

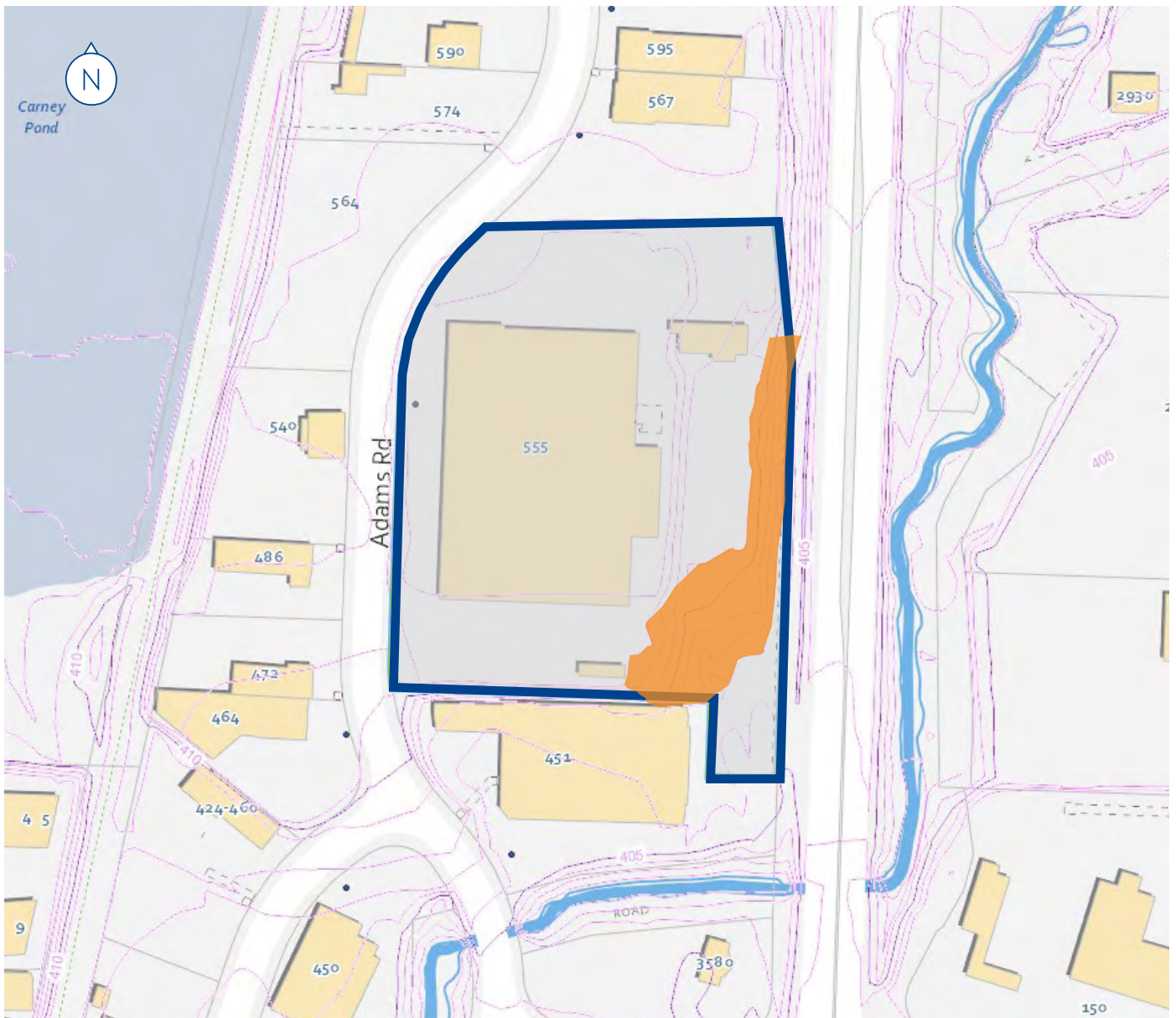




Property Overview

Topography

The area highlighted in orange, which does include a driveway, is impacted by slope challenges and is estimated to be up to 1 acre in size.





Location Overview

The Adams Road-Reid's Corner Industrial Area is located just off Highway 97 N at corner of Sexsmith Road and Old Vernon Road, just 5 minutes from YLW and UBC Okanagan, and 15 minutes from Downtown Kelowna with easy access to major transportation routes.

This is an established industrial area serving a unique role as an innovation and economic growth hub. Its central location adds to its desirability, allowing for easy access to other popular neighbourhoods like Downtown Kelowna and access to many other amenities throughout the city.



Walk Score

33



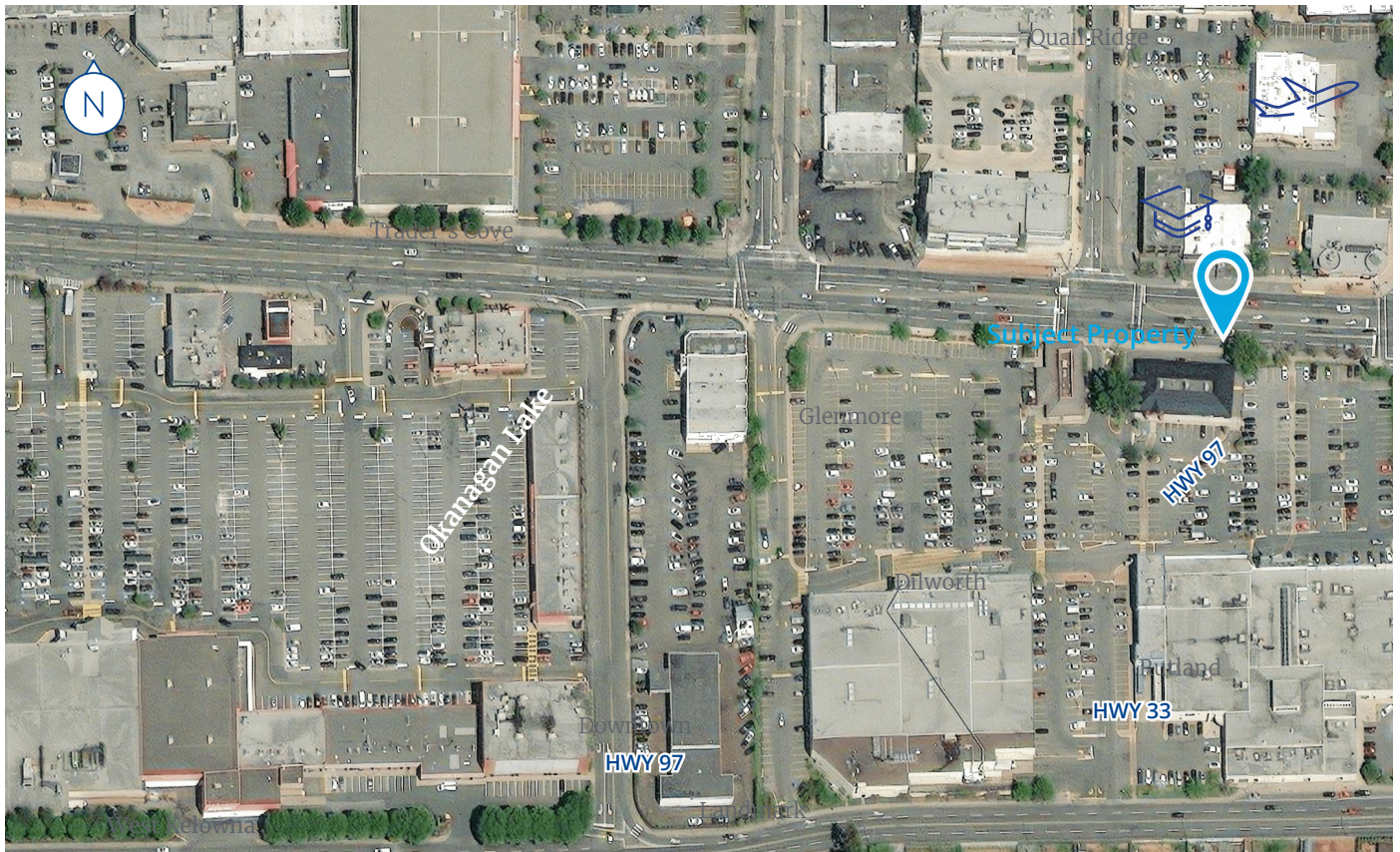
Transit Score

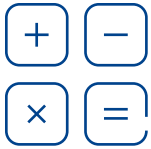
42



Bike Score

36





Subject Property Valuation

Direct Comparison Approach

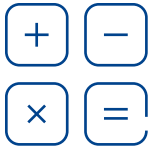
Methodology 1

Direct Comparison Approach

The Direct Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using a unit of comparison such as price per square foot of building area. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

The following is a chart of recent sales and listings that are the most comparable to the Subject Property.

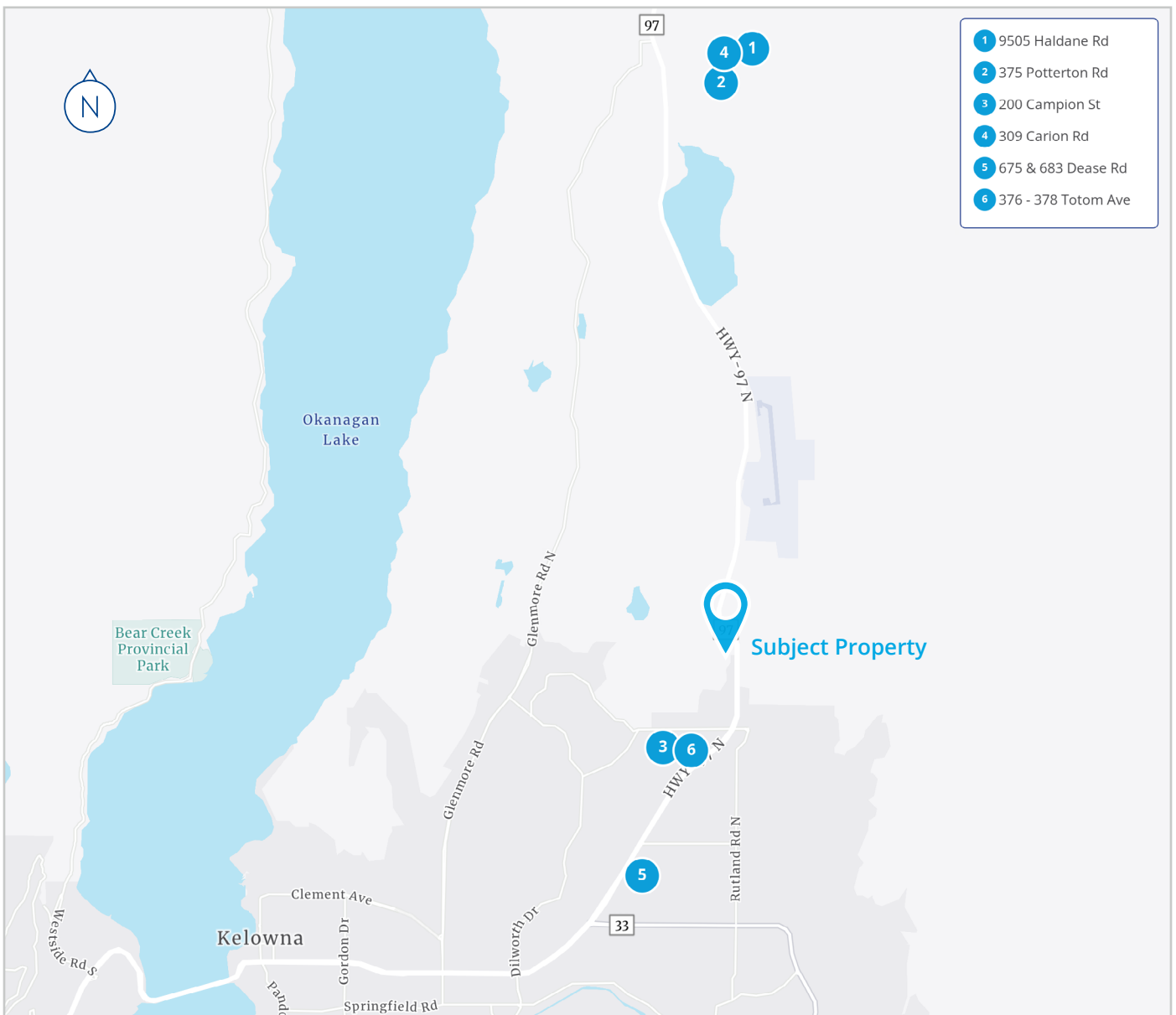
Address Kelowna, BC	Sale Price	Sale Date	Building Size (SF)	Site Size (A)	Site Coverage	Price PSF	Notes
1. 9505 Haldane Rd	\$24,500,000	02/2022	80,760	9.98	19%	\$266	Dock & Grade, 19' Ceiling
2. 375 Potterton Rd	\$31,000,000	Listing	132,195	7.78	39%	\$235	Dock & Grade, 18'-21' Ceiling
3. 200 Campion St	\$14,995,000	Listing	103,000	4.68	50%	\$146	Older building, Grade, Low Ceiling 17'-19'
4. 309 Carion Rd	\$6,300,000	Listing	22,000	1.00	50%	\$286	Newer Steel Building, Grade, 19' Ceiling
5. 675 & 683 Dease Rd	\$14,150,000	05/2022	49,838	3.06	37%	\$286	Older Building, Multi-Bay Grade, 17'-18' Ceiling
6. 376 - 378 Totom Ave	\$6,150,000	03/2022	21,230	1.04	47%	\$269	Average Building, Dock & Grade

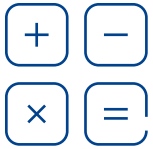


Subject Property Valuation

Direct Comparison Approach

The following is a map of recent sales and listings that are the most comparable to the Subject Property.





Subject Property Valuation

Direct Comparison Approach

Methodology 1

Direct Comparison Approach

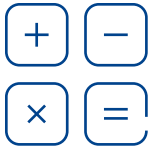
The Direct Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using a unit of comparison such as price per square foot of building area, effective gross income multiplier or net income multiplier. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

The indicated overall price range is from \$146 PSF to \$286 PSF. The low range is for an older building that is not readily demisable, has low ceilings, and some mezzanine area with questionable utility. The upper range is set by Carion Road, which is a newer building, and by Dease Road, which is an older building, but it is demised into small bays and is tenanted.

The resulting range is \$235 PSF to \$269 PSF. The Potterton Road building is at \$235 PSF which is of similar vintage and is a little further out and does not have highway exposure, however, that is offset as it is already demised and leased.

Based on the foregoing, the rate of \$245 PSF is felt to be the best indicator, therefore:

90,626 SF @ \$245 PSF = \$22,200,000



Subject Property Valuation

Income Approach

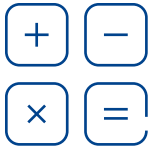
Methodology 2

Income Approach

This approach first determines the income producing capacity of a property by utilizing contract rents on leases in place and by estimating market rent from rental activity at competing properties for the vacant space. Deductions then are made for vacancy and collection loss and operating expenses and then capitalizing the income by the expected current market return.

The following is a list of lease premises of sizes similar to the Subject Property that are currently available for lease.

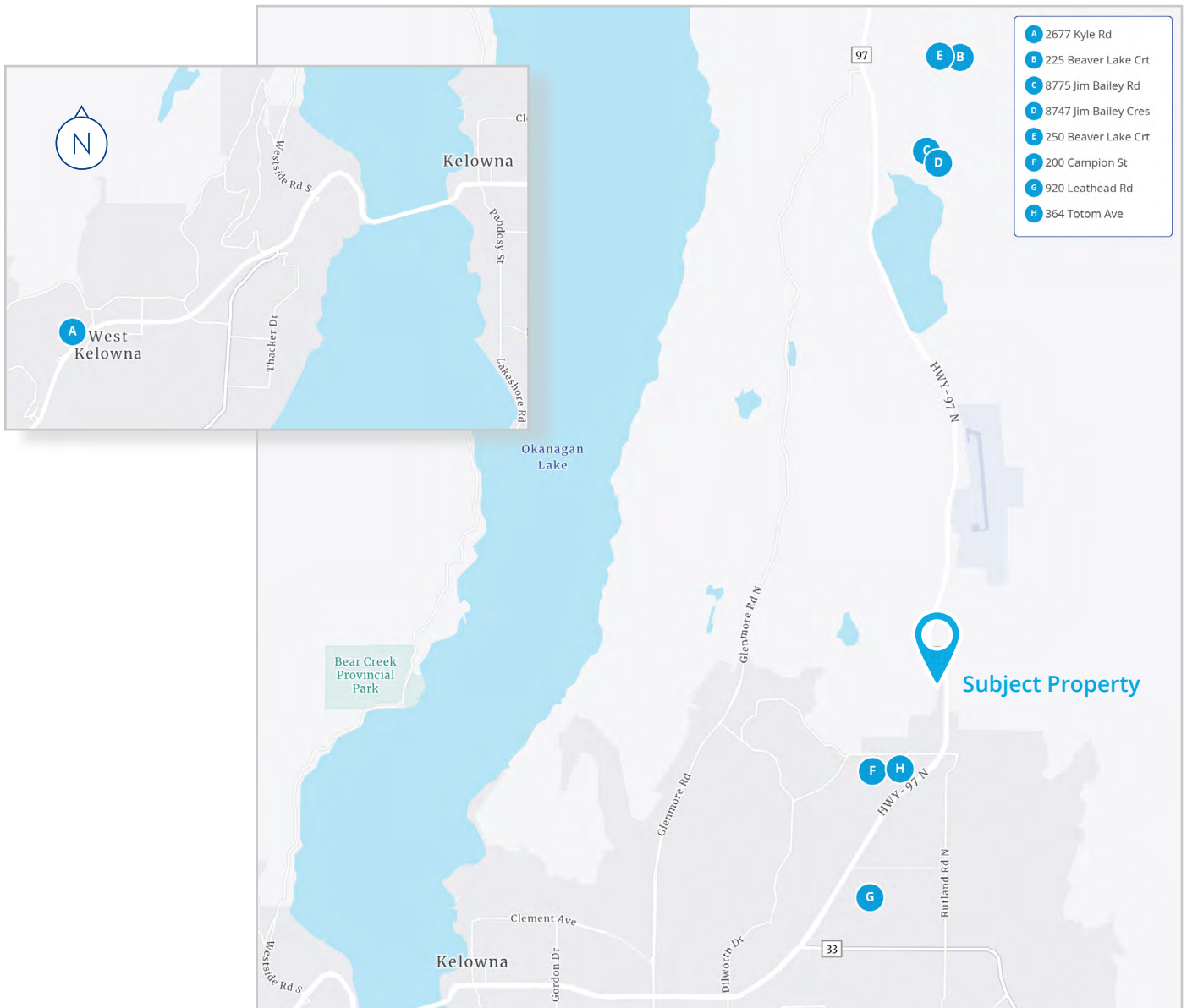
Address Kelowna & West Kelowna	Building Size (SF)	Base Rent PSF	Additional Rent Est. PSF	Loading Bays	Ceiling Height
A. 2677 Kyle Rd	24,174	\$11.00	\$4.30	2 Dock/Grade	16'
B. 225 Beaver Lake Crt	10,000	\$12.00	\$4.50	Dock/Grade	28'
C. 8775 Jim Bailey Rd	13,735	\$12.00	\$3.10	1 Dock/Grade	21'
D. 8747 Jim Bailey Cres	14,079	\$12.00	\$3.10	Grade	24'
E. 250 Beaver Lake Crt	30,000 - 60,000	\$12.50	\$4.50	19 Dock, 5 Grade	28'
F. 200 Champion St	48,000	\$13.00	\$2.50	Grade	16'
G. 920 Leathead Rd	9,873	\$15.00	\$5.00	Grade	15'
H. 364 Totom Ave	9,850	\$16.00	\$4.00	Dock/Grade	17'

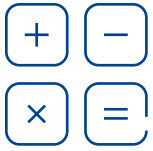


Subject Property Valuation

Income Approach

The following is a map of premises currently available for lease.





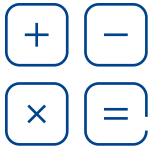
Subject Property Valuation

Net Income

The Net Income is estimated as follows:

Unit Number	Unit Size (SF)	Base Rent PSF	Unit Income
1	14,502	\$10.00	\$145,020
2, 3, 4 & 5	32,147	\$16.00	\$514,352
6	12,194	\$15.00	\$182,910
7	31,783	\$12.00	\$381,396
Total Income			\$1,223,678
Less 5% Vacancy Rate & Structural			-\$61,184
NET INCOME			\$1,162,494





Subject Property Valuation

Capitalization Rate

Capitalization Rate comparables as follows:

Address (Kelowna, BC)	Sale Date	Sale Price	Net Income	Capitalization Rate
692 Adams Crt	11/2022	\$3,750,000	\$176,427	4.7%
255 Neave Rd	10/2022	\$3,750,000	\$169,439	4.4%
354 Totom Ave	12/2022	\$2,400,000	\$116,800	4.9%
309 Carion Rd	Listing	\$6,300,000	\$288,120	4.6%
376 - 378 Totom Ave	03/2022	\$6,150,000	\$291,770	4.7%
675 & 683 Dease Rd	05/2022	\$14,150,000	\$605,771	4.3%

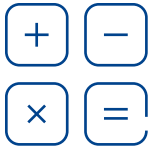
The overall Cap Rate range is from 4.3% to 4.9%, but these sales are from 2022 and capitalization rates have moved 100-150 basis points in the last 12 months.

In the current mortgage rate environment we are seeing a lot of push back from buyers on capitalization rate. Therefore, we would expect the market to view this property at a 5.5% to 6.0% capitalization rate.

Resulting in:

\$1,162,494 @ 5.5% = \$21,100,000 (rounded)

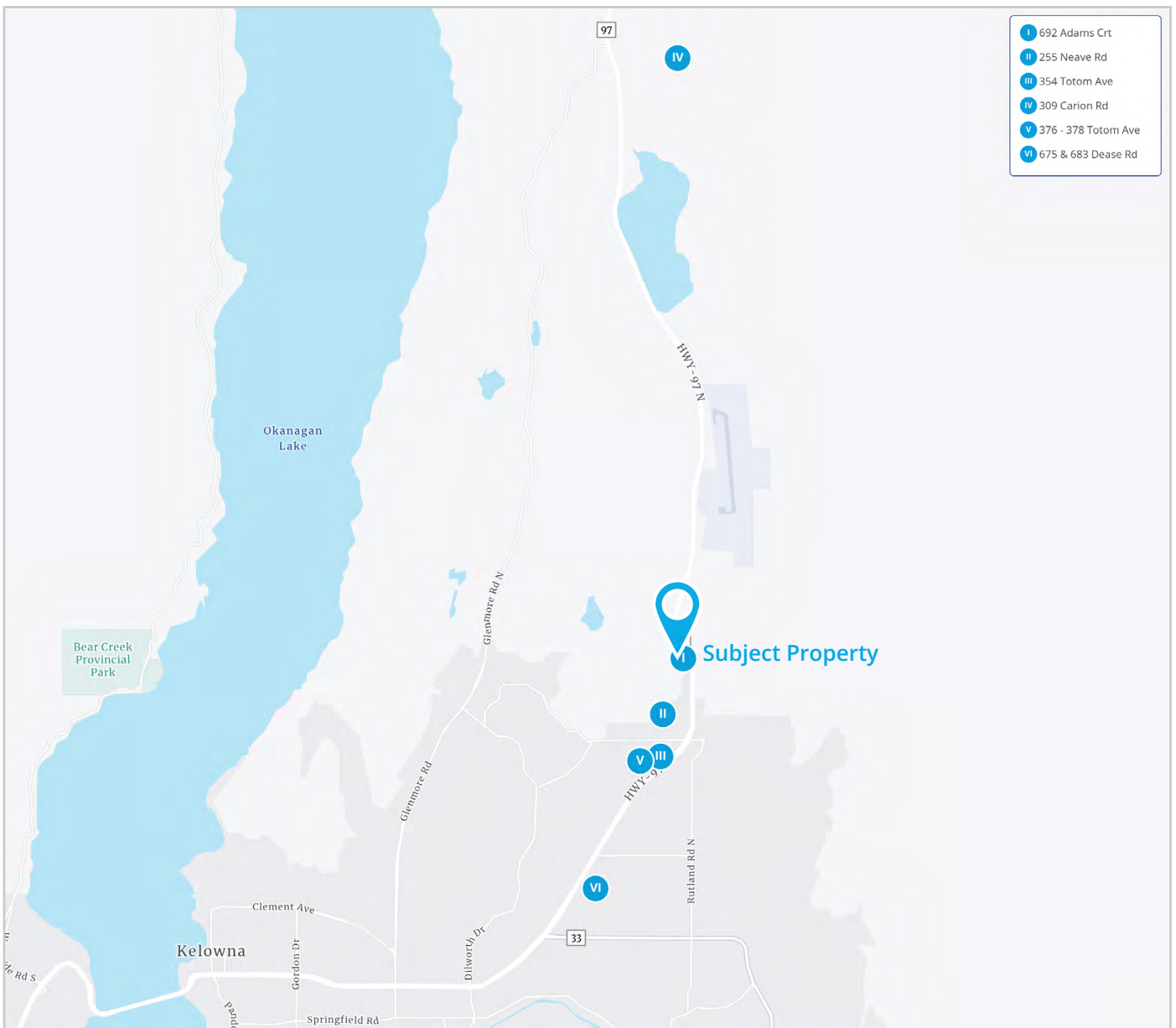
\$1,162,494 @ 6.0% = \$19,400,000 (rounded)

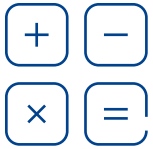


Subject Property Valuation

Capitalization Rate

Cap Rate comparables map as follows:





Subject Property Land Valuation

Land Value Range

\$19,000,000 - \$20,400,000

Adequate sales data exists to generate reliable market estimates for general vacant industrial land. Currently, Kelowna and its surrounding areas are grappling with a severe shortage of available industrially zoned land. Consequently, prices for industrially zoned vacant land have seen a significant surge in recent years, measured on a per-acre basis.

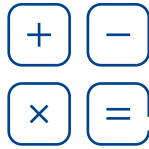
The Subject Property possesses unique attributes that render it highly appealing to potential users and developers. Its ample size allows for the construction of a larger, multi-tenanted or owner-user development. Additionally, the property enjoys high visibility from Highway 97, enhancing its market appeal. Its strategic location between the two newest industrial hubs, namely Pier Mac lands and Sexsmith/Appaloosa, serves as a key advantage. Furthermore, the property's position facilitates easy access in both northern and southern directions from Highway 97.

The recent pricing trend for vacant industrial land has reached \$3,000,000 per acre for prime, highly visible, industrially zoned parcels. Our valuation of 555 Adams Rd suggests it falls within this category, leading us to propose a pricing range of \$2,800,000 to \$3,000,000 per acre for the property. Notably, this price range pertains to vacant land. Considering there is a structure in place, the estimated cost of demolishing the structure and delivering the land vacant to a potential buyer is estimated to be approximately \$1,000,000. However, this demolition cost should be verified by a professional assessment.

Therefore:

7.14 acres @ \$2,800,000 per acre = \$19,992,000 less \$1,000,000 remediation = \$19,000,000

7.14 acres @ \$3,000,000 per acre = \$21,420,000 less \$1,000,000 remediation = \$20,400,000



Summary of Valuation

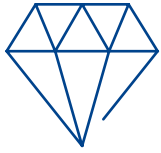
The Direct Comparison Approach indicates a value of \$22,200,000. The Income Approach indicates a value of \$19,400,000 to \$21,100,000. However, that presumes the Subject Property is fully leased. The land value indicates a value of \$19,000,000 to \$20,400,000. **We recommend entering the market with an asking price of \$24,000,000.** It is possible we may be able to attract an owner-user purchaser who can move into the building immediately and would pay a premium for that.

Expected Sale Price

\$20,000,000 - \$22,000,000

Recommended **Asking Price**

\$24,000,000



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Property Marketing Fundamentals



Collaborative Process



MLS Listing



Listing on ColliersCanada.com



Cold Calling



Local Broker Outreach



Direct Presentations



Project Tours



Property Brochure



Eye-catching Signage



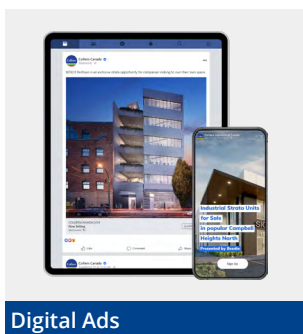
Professional Photography



Email Blasts



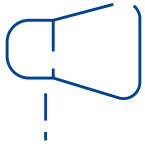
Brochure



Digital Ads



Property Signage



Reach More Buyers

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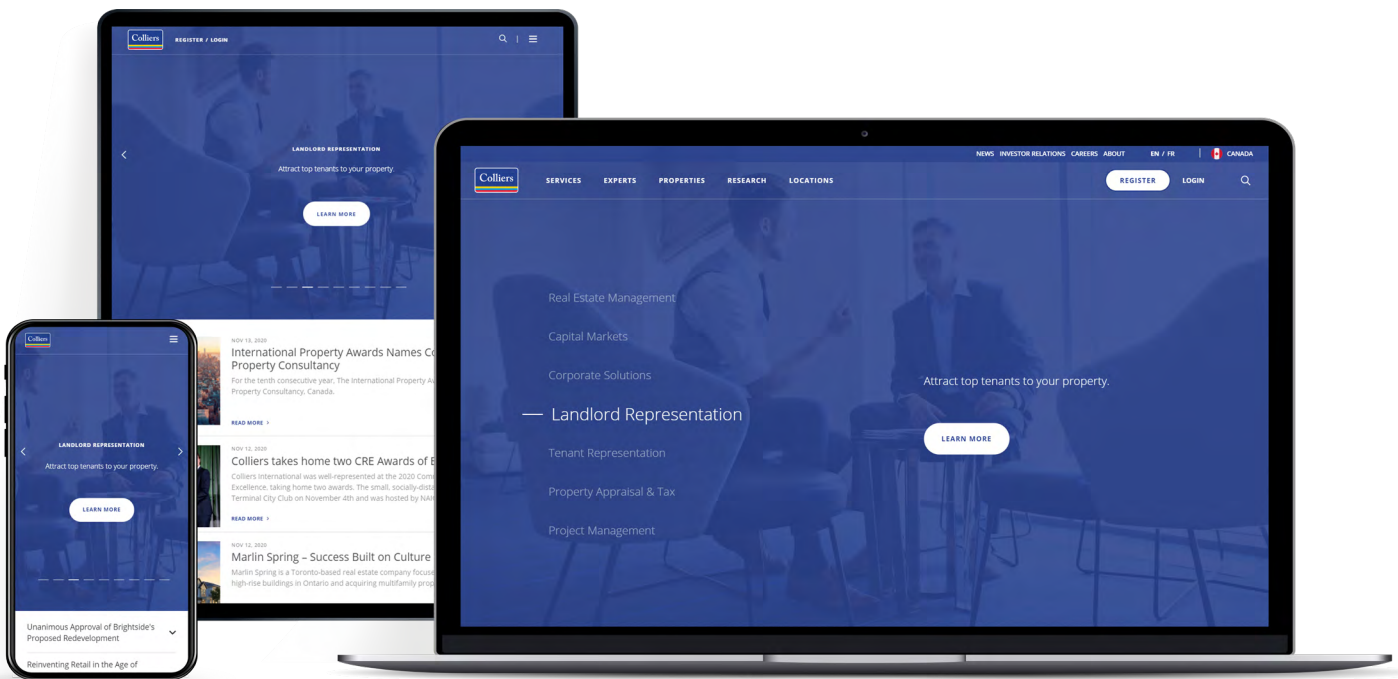
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Source: CIRA.ca

ColliersCanada.com is an award-winning commercial real estate website platform featuring properties, news and research.

The ColliersCanada.com platform allows you unlimited content on your property listing including video and other embedded content, documents, maps and photos.

We can also cross-promote your listing to other sections of the site including the home page – a capability other firms just don't offer.



4 million

Page views in 2022

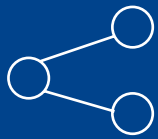
100,000+

Qualified leads generated in 2022



Digital Advertising

We put your property front and centre – for your prospects to see – and act on. The result? Increased exposure online, wider reach of potential buyers faster and the opportunity to generate more qualified leads for your property.



Social Campaigns

We create unique social campaigns so that your property stands out.

The Key Benefits of Digital Campaigns



Reach a specific target audience



Drive more qualified traffic



Gain measurable results through real-time analytics



Unprecedented exposure and stand out among your competition

89%

of B2B researchers use the Internet during the B2B research process.

Source: Think with Google



Creating unique, targeted social campaigns is a part of our digital marketing strategy at Colliers. We use targeted keywords to ensure your property gets in front of your target market first and foremost. Tracking ad performance through analytics and data is how we make sure your property receives maximum digital exposure in a strategic, thoughtful way.



Why work with us?

Our integrated platform

Occupier Representation

Landlord Representation

Property Sales

Corporate Solutions

Project Management Services

Real Estate Management Services

Valuation & Advisory Services



The knowledge of the team

Our team brings unparalleled market knowledge and substantial previous successes in the area.



Unparalleled access to data

Colliers has a national and centralized Client Relationship Management (CRM+) database consisting of information on thousands of commercial properties across Canada.



Exceptional execution skills

Our talented marketing, communications and design professionals build custom marketing campaigns from the ground up.



Commitment to service excellence

At Colliers, "service" is more than just a word. Colliers' comprehensive client service program is designed to drive customer-focused service throughout our business.



An extension of your team

Our approach is collaborative, nimble and informed by uncommon knowledge. By aligning with your core business needs, we develop and execute customized real estate solutions to support your growth strategy.



Results and process-driven

From the first handshake to the last, we understand deal structure and manage the transaction process to minimize disruption, mitigate risk and mediate competing perspectives. You can count on us to stay in the deal, from conducting a great tour to delivering the signed agreement.



Ensuring accountability.

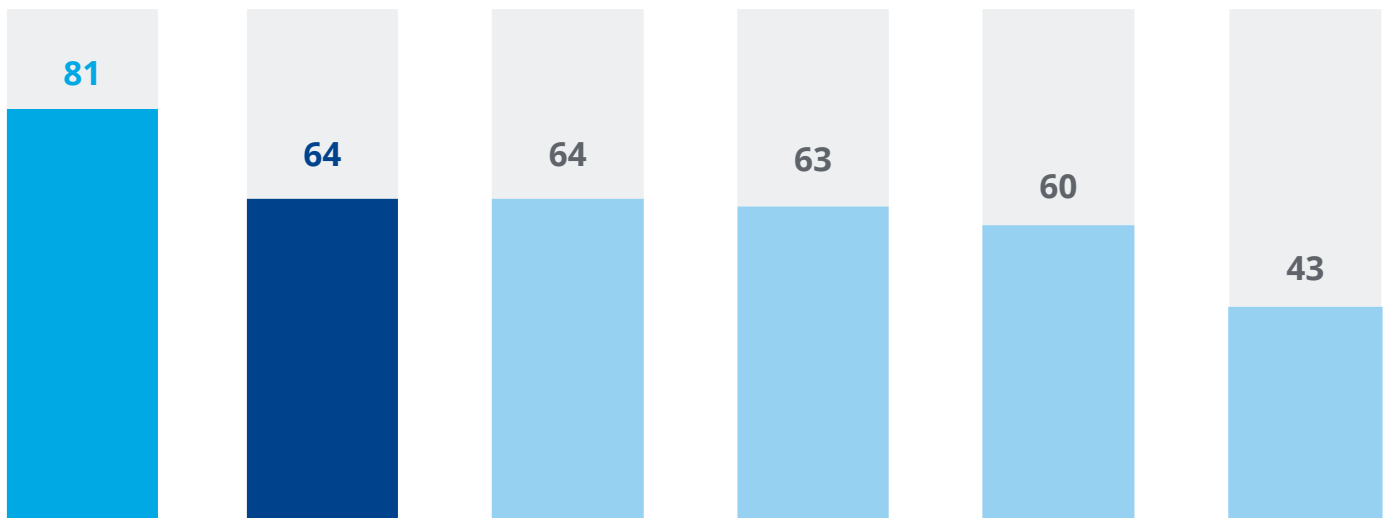
At Colliers, we believe delivering the best possible service experience for our clients is our most sustainable competitive advantage. We use the Net Promoter Score System (NPS) to ensure that we are held accountable for every single client engagement we undertake. The feedback we receive helps us fine-tune our service delivery and offers our clients an honest impression of what it's really like to do business with us. Colliers Canada is the only commercial real estate brokerage in Canada that employs the NPS system to ensure our employees deliver the highest quality service for our clients.

How does it work?

Our clients are asked one question; On a scale from 1-10 how likely are you to recommend Colliers to a friend or colleague? An NPS score is then calculated by taking the percentage of customers who are promoters and subtracting the percentage who are detractors.



Our team score
81



*Partial results available.
Updated March 2023

Our team score

81

NET PROMOTER®
LOYALTY PARTNER

At Colliers, we are enterprising.

Our expert advice to property occupiers, owners and investors leads the industry into the future.

We invest in relationships to create enduring value. What sets us apart is not what we do, but how we do it. Our people are passionate, take personal responsibility and always do what's right for our clients, people and communities. We attract and develop industry leaders, empowering them to think and act differently to drive exceptional results. What's more, our global reach maximizes the potential of property, wherever our clients do business.

At Colliers Canada, we provide a full suite of real estate solution services for commercial office, retail and industrial properties.



NASDAQ: CIGI

TSX: CIGI

Last updated:
March 2023

\$13.7B

Transaction Value (USD)

45

Offices

483

Advisors

2,264

Professionals

67M

SF Managed



Your agenda is **our agenda**

Consider us an extension of your team



Eric Weber

Personal Real Estate Corporation
Vice President
Kelowna, BC



Stephen Webber

Associate Vice President
Kelowna, BC



Bill Randall

Personal Real Estate Corporation
Executive Vice President
Vancouver, BC



Layla Miller

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APPENDIX E

Colliers Marketing Plan



555 Adams Road | Kelowna, BC

Sales & Marketing Strategy

Prepared for:

MNP



Sales Strategy & Disposition

Our proposed marketing campaign is specifically tailored and highly responsive to your objectives.

The following section outlines Colliers' approach to the sale of the Property. Our marketing and sales strategy will focus on exposing the property's key value drivers to the market to ensure the highest value is realized.

Our proposed marketing campaign is specifically tailored and highly responsive to The Receiver's objectives, which as we understand are as follows:

- a. To dispose of the assets at the highest achievable value within a reasonable period of time - the court typically requires a minimum marketing period, usually 30-45 days
- b. To conclude the disposition with a short closing period with minimal risk

The strategy outlined below describes how Colliers' platform is ideally suited to achieve these objectives.

Key Objectives

Our key strategic objectives are as follows:

- 01 To articulate the opportunity to all qualified users/developers/investors to maximize competitive tension
- 02 To reach all logical purchasers locally, nationally and internationally through strategic marketing channels
- 03 To carefully generate offers that maximize the value of the subject site
- 04 To respect the process required by the Supreme Court of British Columbia, the powers granted to the Administrator and the interests of all parties involved

Strategy Details and Disposition Recommendations

The property has the opportunity of realizing optimal value by placing the project on the market in a carefully managed offering process. We recommend that the offering program contain the following elements:

- Offer the project to the market at **\$24,000,000** with a **marketing period** that coincides with the Court's minimum marketing period to ensure adequate exposure to the market

- Create a comprehensive marketing package that demonstrates the value of the Property to the target market;
- Leveraging Colliers database (~2,600 targets) and the MLS Realtor database, to offer the project to a broad-based and comprehensive group of regional, national and international developers and investors who have the scale and capacity to acquire the project;
- Provide current market data and metrics that support a strong valuation, making data available to qualified interested parties;
- **Personal, face to face meetings with the Receiver and interested parties;**
- Advise and assist the Receiver following receipt of the initial offers;
- Once an offer is in place, encourage other interested parties to submit competing bids on the court approval date; and,
- Aid the Receiver and their legal council the preparation of affidavits required with regard to the marketing and sales process, as well as preparing a standard PSA and Schedule A.

In our view, a properly constructed and carefully managed offering process will generate a competitive environment and lead to strong negotiations with the goal of receiving multiple competing bids in court.

Multiple Listing Service

We would generally not recommend MLS for a property of this stature and value. However, the Courts look favourably upon listing on MLS. so we would recommend it here.

Due Diligence

Pre-Marketing Due Diligence Reports

Completing sufficient pre-marketing due diligence is crucial in obtaining the highest possible sale price for the Property. This process includes an up-to-date building condition report, environmental report, and geotechnical report. A level of risk is removed from the transaction if the due diligence is done upfront, allowing potential purchasers to pay a higher price or submit a non-subject offer. This strategy has proven to be successful for several of Colliers' clients.

Secure Document Access (Data Room)

Colliers will create a fully secure, web-based data room for the Property to which only prospective purchasers that have executed a Confidentiality Agreement (CA) will be provided access. The data room will contain electronic copies of all due diligence materials, and additional information including leases, property management reports and statements. Activity in the data room also provides real-time feedback on levels of interest.

Confidential Information Memorandum

Colliers will prepare a Confidential Information Memorandum (CIM) for the Property that will include, at a minimum, the following: a clear description of the offering process, the Vendor's preferred sale structure, complete physical property details, a comprehensive market review, a financial summary, aerial photographs and professional photographs.



Target Market

Perhaps the strongest principle of Colliers' marketing program is the initial identification of the most likely category of purchasers that will pay the highest achievable price in the marketplace.



Using Colliers' CRM+ database, we curate unique lists of qualified prospects that best align with the project branding and positioning.

Local, national and international users/purchasers and local developers provide a significant source of capital for Okanagan development sites. It is imperative that your property is exposed to all categories of prospective purchasers to ensure maximum value.

Though non-local purchasers have been a strong force within the Okanagan market, the fundamentals of the Property are likely to draw interest from local users/developers. The size of the Property and scope of the future development make this asset approachable to a large range of users/developers and we expect to receive strong interest from the market.

Our team has strong relationships with all of the key players both locally, nationally and international and have been actively transacting with them over the past years. Our extensive target list will be comprised of the best qualified companies or individuals from each of the following buyer groups:

Local and Regional Users

- This is the most likely target group that will have interest
- Lack of alternate opportunities and exceptional exposure
- BC, Alberta and local Okanagan groups

Local investors/developers

- Generally well capitalized
- Experienced in the Okanagan markets
- Lack of quality opportunities

Developers purchase now/ develop later (long-term hold)

- May hold other income producing assets
- Longer term development plans
- History of buying, holding and developing



Global Distribution

Colliers' fully integrated global platform and sales network provides unparalleled access to prospective purchasers and investors in all major cities across the Asia-Pacific region.

Colliers will fully engage our national and global offices to ensure the offering is well positioned to all potential candidates in the Target Market. The Project Team will also leverage our strong relationships with our international offices to make sure all of our resources are utilized and we are positioning the Property to all potential candidates.

Colliers structures its global platform by providing research and client management support to our transaction and advisory services teams located in major centres around the world. These senior investment teams have a mandate to pursue cross border advisory and transaction assignments at the request of clients that are building regional or global portfolios.

Global Investor Universe

Canada

- Pension Funds
- Insurance Companies
- Institutional Asset Managers
- Private Equity
- HNW Family Offices
- Public REITs

EMEA

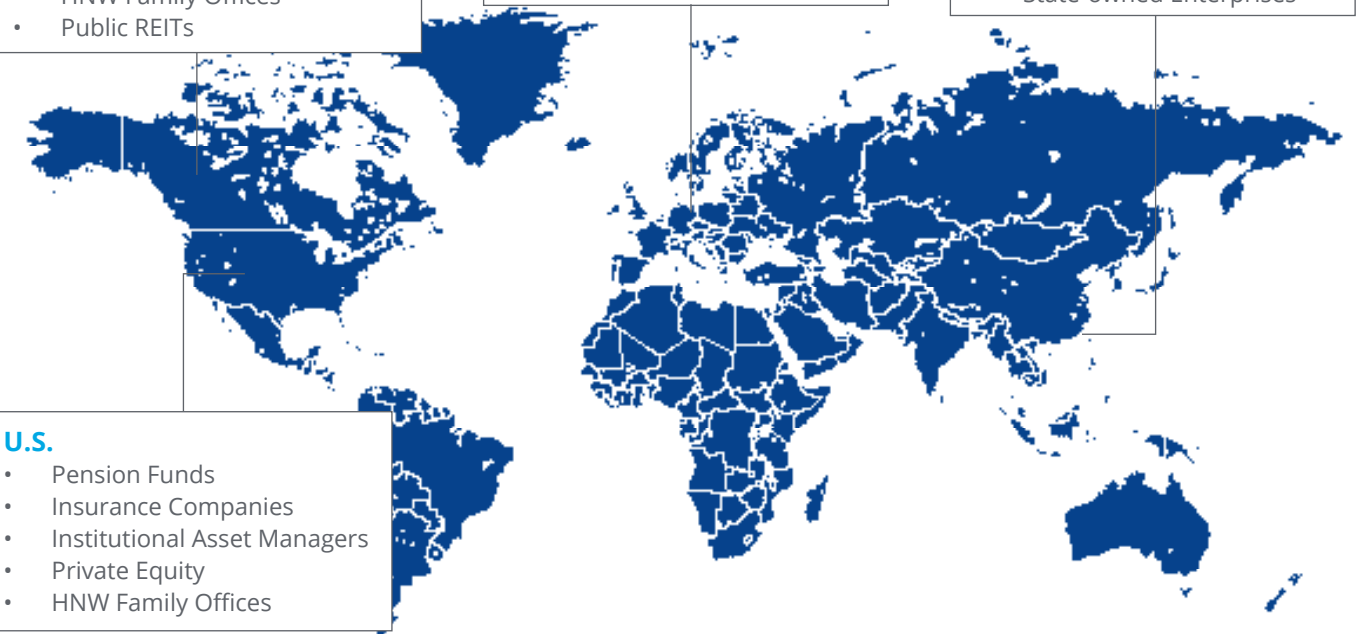
- Insurance Companies
- Institutional Asset Managers
- Private Equity
- HNW Family Offices
- Sovereign Wealth Funds

Asia-Pacific

- Insurance Companies
- Institutional Asset Managers
- Private Equity
- HNW Family Offices
- Sovereign Wealth Funds
- State-owned Enterprises

U.S.

- Pension Funds
- Insurance Companies
- Institutional Asset Managers
- Private Equity
- HNW Family Offices



450+

Advisors contributing market data daily



+175K

Over 175,000 Buyers in Canada tracked



25

Dedicated data associates reviewing data daily





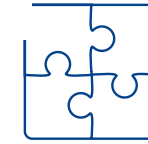
Your In-House Marketing Agency

We develop bespoke marketing strategies to maximize interest and set your property apart from its competitive set.

Property marketing has changed. At Colliers, we're leading that change.

The Colliers marketing platform specializes in positioning our clients' real estate opportunities to the intended audience, creating targeted awareness, and providing key features that give a detailed understanding of the opportunity.

The project team will leverage its strong relationships within the local and offshore communities and will fully engage Colliers' national offices to ensure the offering is articulated to all potential candidates. Furthermore, the Property will be directly presented to the most likely buyers in person, allowing for immediate discussion with respect to questions and answers and removing objections.



Positioning

Positioning isn't just a "marketing" conversation. It's important our marketing message is authentic.

Positioning is a business and marketing strategy that aims to make a brand occupy a distinct identity, relative to competing brands, in the mind of the customer.

It is our point of differentiation - it is targeted to who we want to buy, it is the way we get a premium price in the market and it helps buyers navigate through a clutter of options and choose our project.

The key steps to positioning are:

Understand demand through research

- Supply is only half the story
- What do buyers really value?

Understand the competitive landscape

- Where are the opportunities to differentiate?
- How is our competition positioned?
- Where are the opportunities/gaps?

Define how your asset will compete

- Strengths of the asset as well as what the target market values
- How will we be different?
- How can we create a new category where we are the only choice?

Positioning a property against the competition starts with identifying the aspects that make your project unique and aligning them with the needs of your target market.

Key Selling Features

Based on the information provided to us and the research that we have concluded to date on the Property, several features of the property have become apparent to us, and in our view, the key selling points for the Property are:



Rare scale with 7.14 acre site



Highly desirable Okanagan Industrial location



Supply constrained Kelowna market with significant demand



5 minutes from Kelowna Airport (YLW) and UBC Okanagan campus



adjacent to highway allowing for desirable visibility and easy access/egress

11x winner at the International Property Awards

Our marketing teams consist of experts in project identity creation, property positioning, digital marketing and more, ensuring strategically crafted messaging for your project reaches your target markets.
















Marketing Tactics

Our property marketing capability is second to none in our industry.



When you market your property with Colliers, we ensure it gets exposure via every possible medium – from print, to web, to mobile. We take your listing to where your targets are – so they get the information they need and you get the response you want.

Property Marketing Fundamentals

 Collaborative Process	 MLS Realtor Database	 Listing on ColliersCanada.com
 Cold Calling	 Local Broker Outreach	 Direct Presentations
 Project Tours	 Property Brochure	 Eye-catching Signage
	 Professional Photography	 Email Blasts

The #1 ranked CRE website in Canada with ~250,000 visitors per quarter and 30,000+ property searches per month



Strategic Marketing Tactics



Print Advertising

Advertising in trade and national publications, such as Business in Vancouver and Western Investor



Direct Marketing

A direct mail campaign of the Property, targeting owners in the surrounding area



Advertising in Asia

Leverage Colliers global platform and web presence to promote to Asian Audience



Social Media Advertising

LinkedIn, Twitter (X) presence generates interest and awareness



Public Relations

Colliers offers extensive local and international exposure in the area of public relations, and uses exclusive media outlets to ensure maximum exposure locally and abroad



Drone Photography

This footage gives potential purchasers of the Property a visual highlight of the Property and the community





Digital Advertising

We put your property front and centre – for your prospects to see – and act on. The result? Increased exposure online, wider reach of potential buyers faster and the opportunity to generate more qualified leads for your property.

To successfully market and sell the Property, it is critical to identify key purchaser profiles, allowing for a highly customized and targeted marketing campaign - and connectivity with even larger, untapped audiences. Leading with the project's key attributes, desirable location and nearby amenities, we tailor marketing packages for each target market.

The Key Benefits of Digital Campaigns



Reach a specific target audience beyond your existing contact list



Drive more qualified traffic to your specific property listing



Gain measurable results for your property listing through real-time analytics

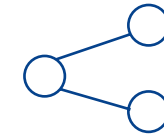


Give your listing unprecedented exposure and stand out among your competition

89%

of B2B researchers use the Internet during the B2B research process.

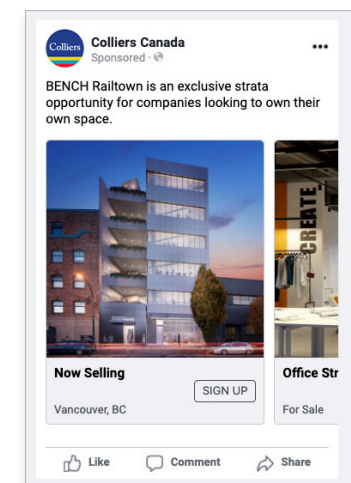
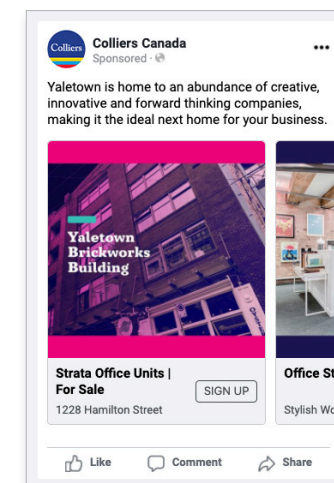
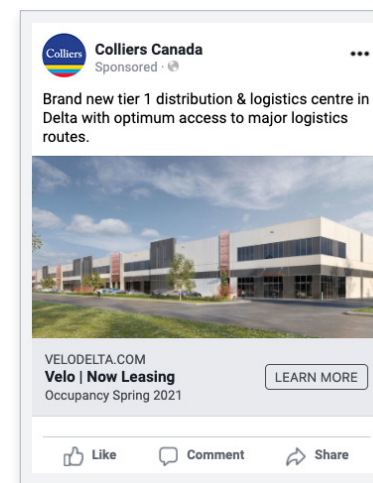
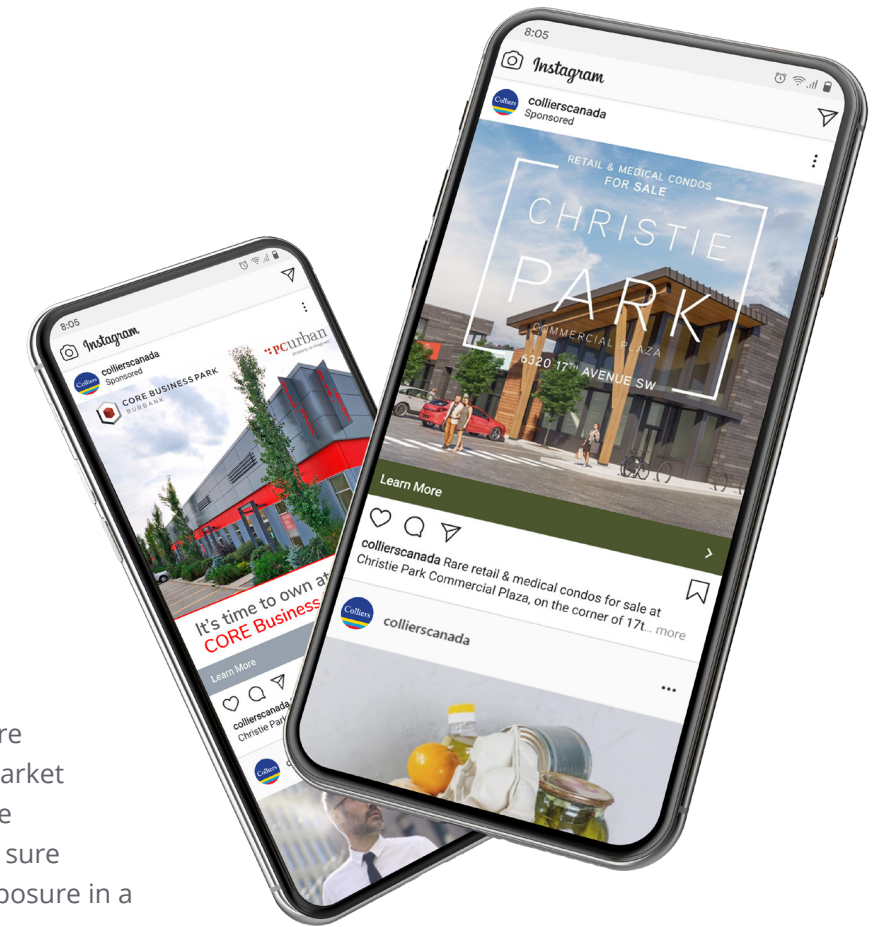
Source: Think with Google



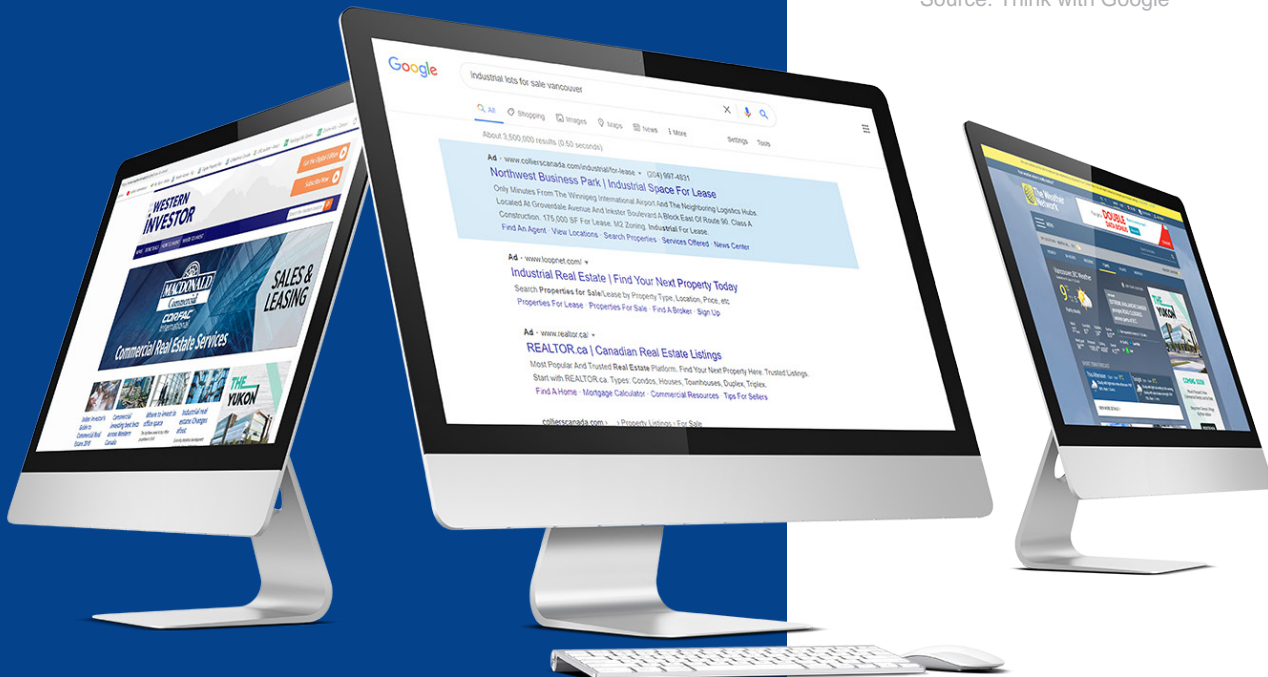
Social Campaigns

We create unique social campaigns so that your property stands out.

Creating unique, targeted social campaigns is a part of our digital marketing strategy at Colliers. We use targeted keywords to ensure your property gets in front of your target market first and foremost. Tracking ad performance through analytics and data is how we make sure your property receives maximum digital exposure in a strategic, thoughtful way.



Lead generation ads allow us to pinpoint high-interest users with audience selection and optimization. We make sure to find the leads that matter.





Reach More Buyers

ColliersCanada.com

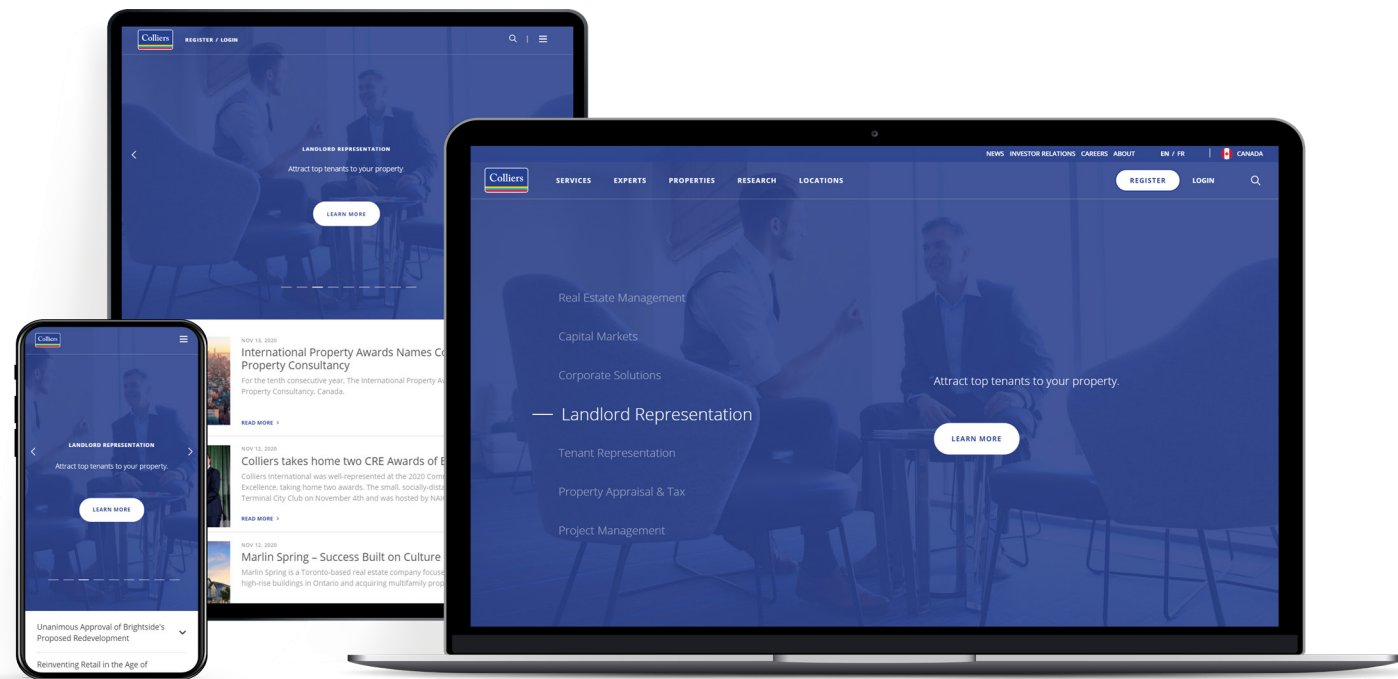
Canada's #1 Commercial Real Estate Website

Source: [Alexa.com](https://www.alexa.com)

ColliersCanada.com is an award-winning commercial real estate website platform featuring properties, news and research.

The ColliersCanada.com platform allows you unlimited content on your property listing including video and other embedded content, documents, maps and photos.

We can also cross-promote your listing to other sections of the site including the home page – a capability other firms just don't offer.



4.2 million

Page views in 2022

100,000

Qualified leads generated in 2022

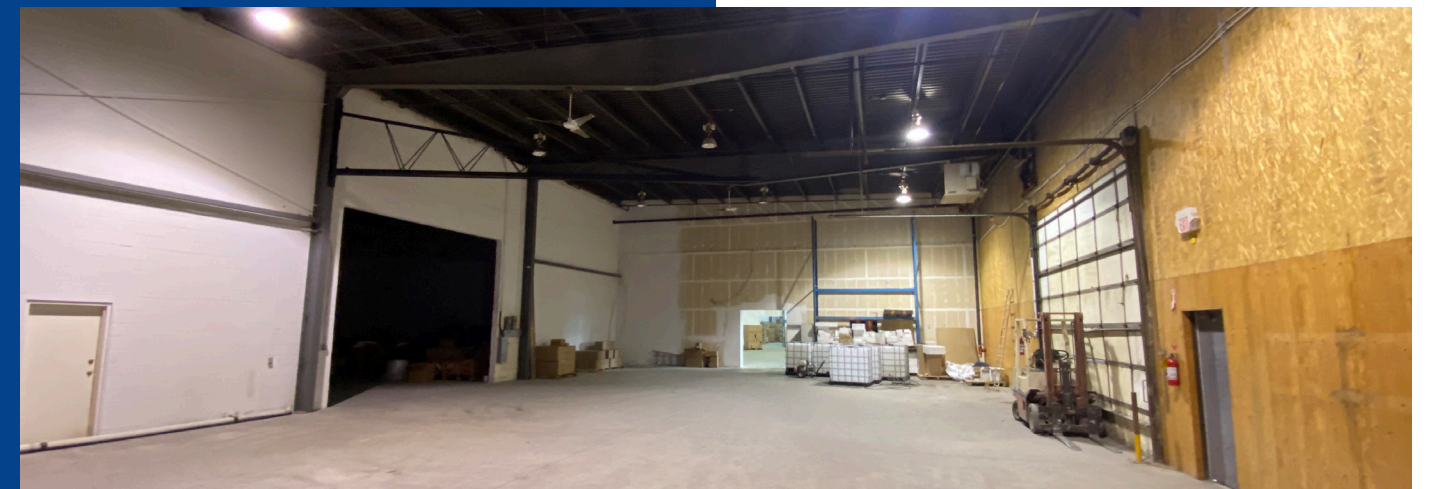


Conclusion

At the end of the day, the likely buyer is an owner/user who would use the property immediately or a developer who may rent the property for short term income before developing.

The team being located in Vancouver and the Okanagan will ensure all logical prospects are personally contacted and we will have face to face meetings with any interested parties.

We will ensure we use all of our resources, but most importantly our personal contacts, to ensure this is sold on a timely basis with maximum sales proceeds.



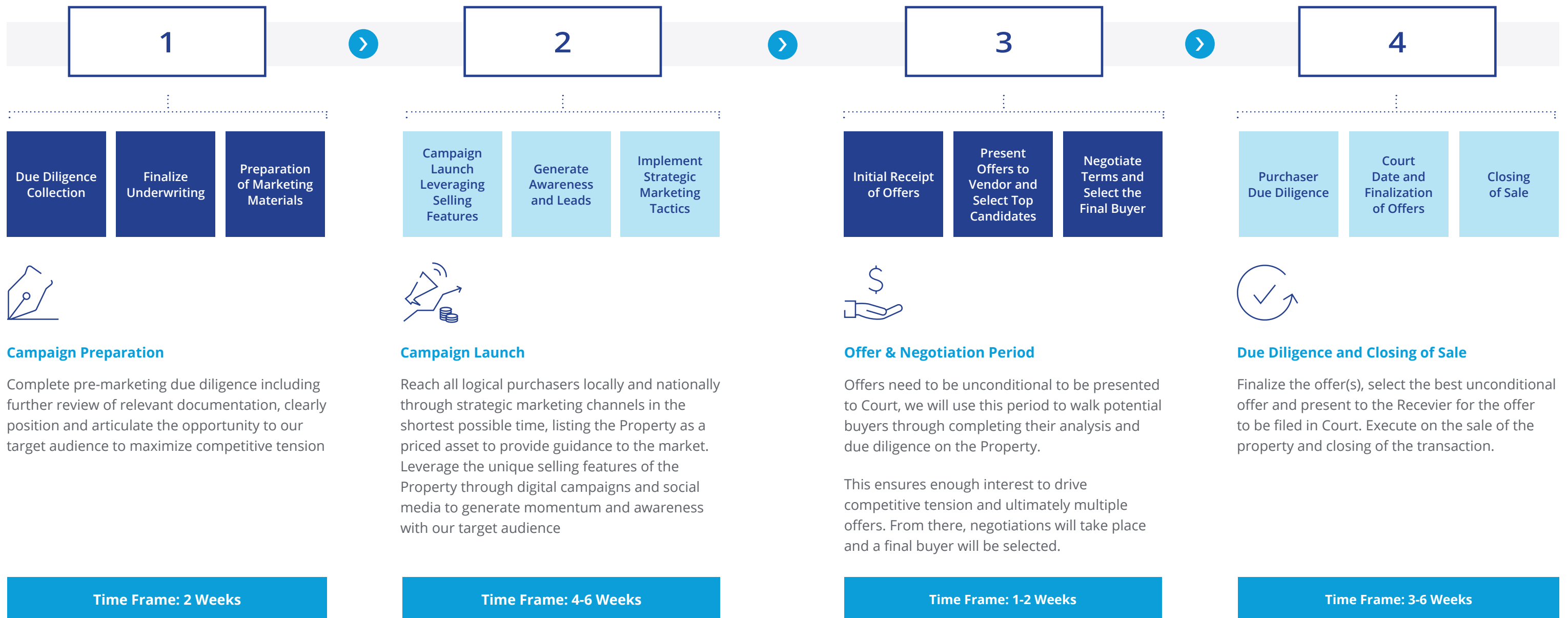


Project Timeline

A straightforward process

Below is the anticipated timeline for the sale of the Property. Throughout the process, we will provide written update reports, advising on the status of the marketing and sale process.

We believe it is realistic to have an offer into Court in 8-10 weeks with closing 2-4 weeks after Court approval.





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APPENDIX F

Colliers Marketing Timeline



4 Month Marketing Timeline

Proposed Timeline

January 2024

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February 2024

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

March 2024

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

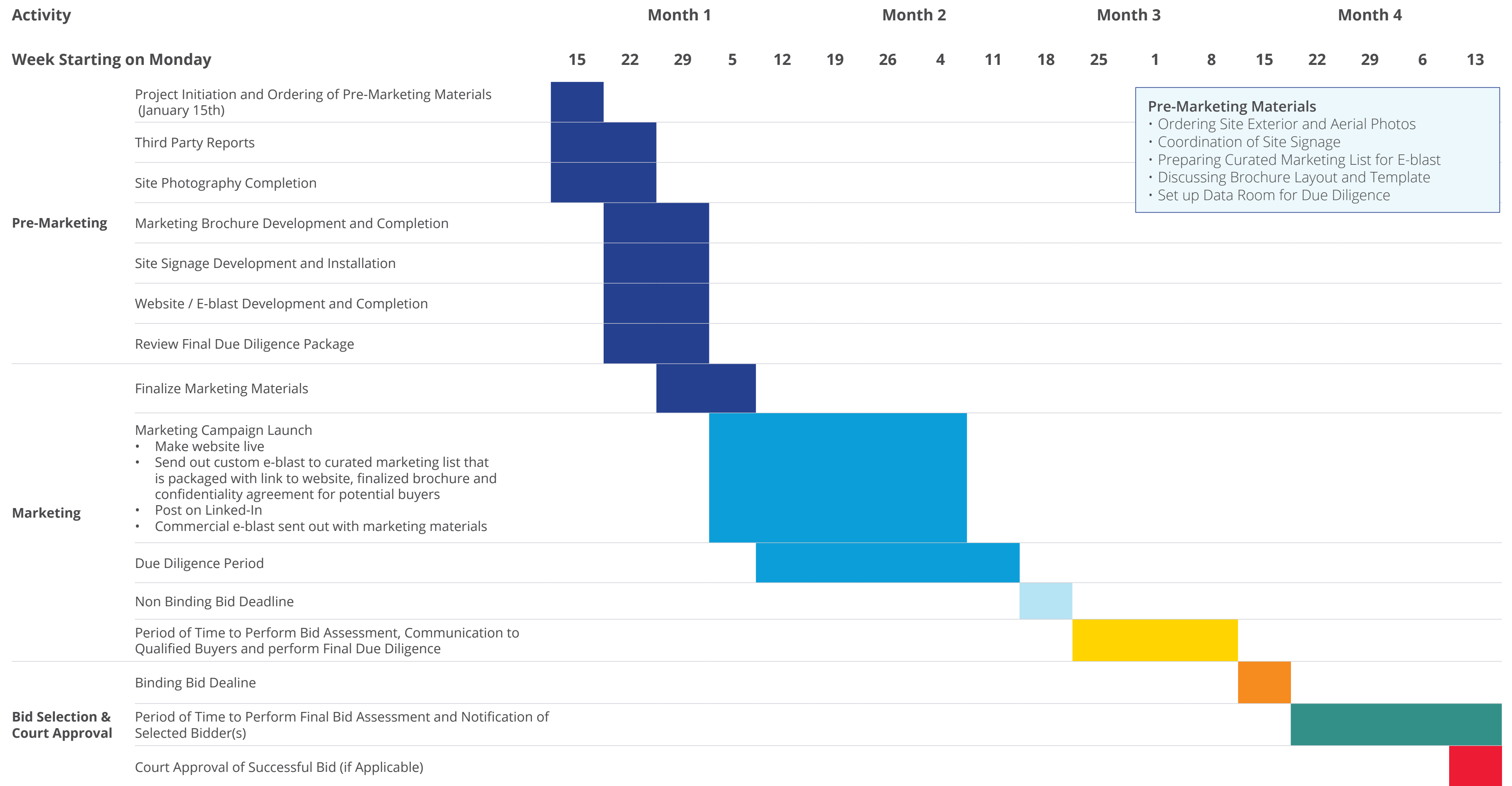
April 2024

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May 2024

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Targeting a Month Launch and Month Closing



Pre-Marketing Materials

- Ordering Site Exterior and Aerial Photos
- Coordination of Site Signage
- Preparing Curated Marketing List for E-blast
- Discussing Brochure Layout and Template
- Set up Data Room for Due Diligence

*These dates may be amended or extended by the Receiver, in its sole discretion, and may be subject to change by an order of the Court

- **Project Initiation**
January 15
- **Marketing Launch and Campaign**
January 30 - March 11
- **Non-Binding Bid Deadline**
March 18
- **Binding Bid Deadline**
April 11
- **Court Approval**
Approx. week of May 13th

APPENDIX G

SISP

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

On October 3, 2023, the Supreme Court of British Columbia (the “**Court**”) made an Order in Action No. H137731 (the “**Receivership Order**”) appointing MNP Ltd. as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and property of 104 Investments Ltd. (the “**Debtor**”), including all proceeds thereof (collectively, the “**Property**”) 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. The BC Court action in which the Receivership Order was granted was subsequently transferred to the Vancouver Registry as Action No. H230801 (the “**Receivership Proceeding**”).

Under the Receivership Order, the Receiver was authorized to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any parts or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate (such process being the “**Sale Process**”). The Receivership Order, any other Orders granted by the Court in regard to the Sale Process and the procedures set forth herein shall exclusively govern the sale and investment solicitation process (the “**SISP**”) for soliciting and selecting bids for the sale of all or substantially all of the Property of the Debtor.

The Receivership Order and this SISP shall exclusively govern the process for soliciting and selecting bids for the restructuring, recapitalization or refinancing of the Debtor or for the sale of all or any part of the Property.

All dollar amounts expressed herein, unless otherwise indicated, are in Canadian currency. Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Receivership Order.

Sale Process

The Sale Process describes, among other things, the Property available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of one or more Successful Bids, and the approval thereof by the Court. At any point in time, with reasonable notice, the Receiver retains the ability to vary or amend the Sale Process as it deems fit, including changing the timeline or terminating the SISP at any point of the Sale Process.

Opportunity

The Sale Process is intended to solicit interest in, and opportunities for, a sale of all, or substantially all, of the Property, and in particular the land and building located at 555 Adams Road, Kelowna, B.C. (the “**Adams Road Property**”) or, alternatively, an

investment in the Debtor. As discussed further below, a “**Qualified Bid**” under the SISP may be comprised either of an *en bloc* bid for all or substantially all of the Property.

An investment in the Debtor may include a restructuring, recapitalization, or other form of reorganization of the business and affairs of some or all of the Debtor. A sale of the Property may involve a sale of all, substantially all, or one or more of the assets comprising the Property, including to a newly formed acquisition entity.

“As Is, Where Is”

Any investment in the Debtor or sale of any of the Property will be on an “as is, where is” basis without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Receiver or any of its agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant investment or sale agreement as may be entered into by the Receiver.

Free of Any and All Claims and Interests

In the event of a sale, all of the rights, titles, and interests of the Debtor in and to all Property sold or transferred will, at the time of such sale or transfer, be sold or transferred free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the “**Claims and Interests**”) pursuant to one or more approval and vesting orders made by the Court. Contemporaneously with such approval and vesting orders being made, all such Claims and Interests shall attach to the net proceeds of the sale of such property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder. Alternatively, the Receiver will work with the purchaser to transfer the Debtor’s rights, titles and interests in and to the Property to be sold or transferred pursuant to one or more reverse vesting orders made by the Court, in which case, the structure shall be determined by the Receiver in consultation with the purchaser and their respective counsel.

Sale Process Timeline

The Receiver currently anticipates that the Sale Process will commence or about January 15, 2024.

Milestone	Time Period	Date
Pre-Marketing Preparation	2 weeks	Ends January 29, 2024
Marketing Campaign	4-6 weeks	January 30, 2024 to March 11, 2024
Due Diligence Period	5 weeks	February 5 to March 11, 2024
Non-Binding Bid Deadline		March 18, 2024
Period of time to perform Bid Assessment, Communication to Qualified Bidders, and perform Final Due Diligence	21 calendar days after the Non-Binding Bid Deadline	March 18, 2024 to April 8, 2024
Binding Bid Deadline	3 calendar days after the Final Due Diligence Period ends	April 11, 2024
Period of time to perform Final Bid Assessment and notification of Selected Bidder(s), if any	1 week	April 12, 2024 to April 19, 2024
Court Approval of Successful Bid (if applicable)	Within 10 calendar days of the selection of a Successful Bid	

The dates set out in the SISF may be amended or extended by the Receiver, in its sole discretion, and may be subject to change by an order of the Court.

Participation Requirements and Due Diligence

In order to participate in the Sale Process, an interested party (a “**Potential Bidder**”) must deliver to the Receiver at the address specific herein (including by email), and prior to the distribution of any confidential information by the Receiver to such Potential Bidder (including access to the confidential virtual data room (the “**VDR**”)):

1. an executed non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”), which shall inure to the benefit of any Successful Bidder (as defined below) that closes a transaction contemplated by a Successful Bid (as defined below); and
2. a letter outlining the Potential Bidder’s qualifications (a “**Qualification Letter**”), as set out in **Schedule A**.

A Potential Bidder that has executed an NDA, as described above, and who provides the Receiver with a Qualification Letter and who the Receiver, in its sole discretion, determines has a reasonable prospect of completing a Sale contemplated herein, will be deemed a “**Qualified Bidder**”.

Each Qualified Bidder shall have access to the VDR and any such reasonably required due diligence materials and information relating to the Property as the Receiver deems appropriate. The Receiver makes no representation or warranty as to the information to be provided through the due diligence process or otherwise, regardless of whether such information is provided in written, oral or any other form, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Receiver and approved by the Court.

Upon the reasonable request of a Qualified Bidder, on-site inspections of the Property may be arranged by the Receiver in its sole discretion.

Prior to the Non-Binding Bid Deadline, the Receiver may engage in discussions with any or all of the Qualified Bidders to determine and explore their level of interest and may request from any such Qualified Bidder such information as the Receiver may deem appropriate.

Submission of Binding Offers

The Receiver shall provide Qualified Bidders, for all or part of the Property, or for an investment in the Debtor, with a draft purchase and sale agreement (a “**Purchase Agreement**”) at such time as the Receiver may, in its discretion, deem appropriate. If the Qualified Bidder’s proposal is in the form of an investment, the Receiver shall not provide a draft form of agreement.

A Qualified Bidder that desires to make a bid for some or all of the Property must deliver a non-binding bid to the Receiver **so as to be received by no later than the Non-**

Binding Bid Deadline and a binding offer (the “**Binding Bid**”) to the Receiver **so as to be received by no later than the Binding Bid Deadline.**

A Binding Bid will only be considered a Qualified Bid if it is submitted by a Qualified Bidder and complies with the following conditions (each, a “**Qualified Bid**”):

- (a) it contains a binding offer to:
 - a. acquire all, or any part of the Property, pursuant to a vesting or a reverse vesting order; or
 - b. make an investment in the Debtor, including the aggregate amount of proposed equity and debt investment and details regarding the proposed equity and debt structure of the Debtor following completion of the proposed transaction.
- (b) it contains a duly authorized and executed Purchase Agreement or an agreement for investment in the Debtor, specifying the purchase price (the “**Purchase Price**”) or investment terms, and providing for a closing of the purchase or investment transaction as soon as practicable after the Binding Bid Deadline, 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 (or term sheets that describe the material terms and provisions of such ancillary agreements), and, in the case of a bid for a purchase and sale transaction, copies of such materials marked to show the amendments and modifications to the Purchase Agreement provided by the Receiver;
- (c) it includes a letter stating that the Binding Bid is irrevocable until 8 days following the Binding Bid Deadline unless it is chosen as the successful bid, in which case it is irrevocable until closing of the transactions contemplated by the Binding Bid as soon as practicable following the Binding Bid Deadline;
- (d) it provides written evidence, satisfactory to the Receiver, of (i) a firm, irrevocable financial commitment for all required funding or financing or (ii) evidence of the Qualified Bidder’s financial wherewithal to close the bid using unencumbered funds on hand;
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or (ii) obtaining any financing or financial capital and includes an acknowledgement and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Binding Bid;
- (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the sale or investment proposal, including

- the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it is accompanied by a refundable deposit in the form of a wire transfer (to a trust account specified by the Receiver) or such other form acceptable to the Receiver, payable to the order MNP Ltd., Receiver, in trust, in an amount equal to ten percent (10%) of the Purchase Price;
- (h) it contains any other information reasonably requested by the Receiver.

Assessment of Qualified Bids

Qualified Bids will be evaluated upon several factors, including, without limitation and to the degree determined to be applicable by the Receiver in each case:

- (a) Purchase Price;
- (b) Any non-cash consideration, such as liabilities to be assumed by the Qualified Bidder;
- (c) Structural complexity of the proposed transaction;
- (d) Nature and sufficiency of funding for the proposed transaction;
- (e) Probability of closing the proposed transaction and any relevant risks thereto, including nature of any remaining conditions and due diligence requirements;
- (f) Qualified Bidder's financial strength.

If the Receiver receives one or more Qualified Bids, the Receiver may select one or more of the Qualified Bids as the successful bid (the "**Successful Bid**", with such bidder being the "**Successful Bidder**"), or alternatively if no Successful Bidder is determined, terminate the SISP.

Approval of Successful Bid

The Receiver shall apply to the Court (the "**Approval Application**") for an order approving the Successful Bid and vesting title to any purchased Property in the name of the Successful Bidder, or in the case of an investment, approving the investment structure and any ancillary relief required by the Successful Bidder (the "**Approval Order**"). The Approval Application will be held on a date to be scheduled by the Receiver and confirmed by the Court. The Receiver shall use best efforts to schedule the Approval Application as soon as practical and subject to Court availability. The Approval Application may be adjourned or rescheduled by the Receiver on notice to the Service List prior to the Approval Application. The Receiver shall consult with the Successful Bidder regarding the application material to be filed by the Receiver for the

Approval Application, which material shall be acceptable to the Successful Bidder, acting reasonably.

All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid.

Deposits

All deposits shall be retained by the Receiver in a bank account specified by the Receiver. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable.

All Deposits of all Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five (5) business days of the date upon which the Successful Bid is approved by the Court. If the SISP is terminated in accordance with the provisions hereof, all Deposits shall be returned to the Qualified Bidders within five (5) business days of the date the SISP is terminated, as applicable.

If an entity selected as the Successful Bidder breaches its obligations to close the applicable transaction, it shall forfeit its Deposit to the Receiver; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Receiver has against such breaching entity.

Approvals

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or are otherwise required at law in order to implement a Successful Bid, as the case may be.

Notice to the Receiver

The addresses to be used for delivering documents to the Receiver:

The Receiver:

MNP Ltd.
Suite 1630
609 Granville Street
Vancouver, BC V7Y 1G5
Attention: Doug Chivers - doug.chivers@mnp.ca

with a copy to counsel for the Receiver:

Lawson Lundell LLP
Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2
Attention: Scott R. Andersen – scott.andersen@lawsonlundell.com

A bid must be delivered to the Receiver by electronic mail, personal delivery or courier. Interested bidders requesting information about the qualification process, including the form of Purchase Agreement, and information in connection with their due diligence should contact the Receiver.

Reservation of Rights

Notwithstanding any other term of this SISP, the Receiver:

- (a) may reject, at any time any bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements of this SISP or any orders of the Court applicable to the Debtor or the Receiver; or (iii) contrary to the interests of Debtor's estate and stakeholders, as determined by the Receiver;
- (b) in accordance with the terms hereof, may impose additional terms and conditions and otherwise seek to modify this SISP at any time in order to maximize the results obtained;
- (c) in accordance with the terms hereof, may accept bids in conformity with this SISP to the extent that the Receiver determines, in its reasonable business judgment, that doing so will benefit the Debtor's estate and stakeholders; and,
- (d) may shorten or extend the deadlines contained in this SISP or to impose such other terms and conditions as the Receiver determines to be in the best interest of the Debtor's stakeholders, provided that such terms and conditions are not inconsistent with this SISP.

This SISP does not, and shall not be interpreted to create any contractual or other legal relationship between the Receiver and any other party, other than as specifically set forth in definitive agreements that may be executed by the Receiver.

No Amendment

Except as provided for herein, there shall be no amendments to the SISP without the prior written consent of the Receiver, or further order of the Court obtained on reasonable notice to the Receiver.

Further Orders

At any time during the Sale Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

SCHEDULE “A” QUALIFICATION LETTER OUTLINE

Qualification Letter Outline

The qualification letter (the “**Qualification Letter**”) should be sent via email, along with an executed copy of the confidentiality agreement in the form provided by the Receiver, to doug.chivers@mp.ca

The Qualification Letter should include the following information:

- 1) The identity and contact information of the prospective purchaser(s) or investor(s), and full disclosure of all direct and indirect principals;
- 2) Any information that you believe would be relevant to explaining the strategic rationale for your participation in the Sale Process;
- 3) A confirmation that a definitive proposal, if submitted, would not be conditioned on obtaining any financing capital. If the prospective purchaser(s) or investor(s) is currently engaged in obtaining funding that would allow for a possible transaction, information regarding the expected sources of funds, the status of any discussions with such sources, and information regarding the further steps necessary to obtain a firm funding commitments, should also be provided;
- 4) The identity of your legal and financial advisors (if any); and
- 5) Any other information that you believe would be important to Receiver in determining your ability to successfully complete the proposed transaction as soon as practicable.

Access to the VDR will not be provided until the above-referenced information is received.

All communications or enquires related to the Qualification Letter should be directed to the Receiver at doug.chivers@mp.ca.