



NO. S-237489
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC., QRD
(WILLOUGHBY) LIMITED PARTNERSHIP, QRD
(WILLOUGHBY) GP INC., QUARRY ROCK
DEVELOPMENTS INC., RICHARD LAWSON, MATTHEW
WEBER, CANADIAN MORTGAGE SERVICING
CORPORATION, OVERLAND CAPITAL CANADA INC.,
WUBS INVESTMENTS LTD., and STEELCREST
CONSTRUCTION INC.

RESPONDENTS

NOTICE OF APPLICATION

NAME OF APPLICANT: MNP Ltd. in its capacity as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and property of QRD (Willoughby) Holdings Inc. QRD (Willoughby) Limited Partnership and QRD (Willoughby) GP Inc (collectively, the “**Debtors**”)

To: The Service List, attached hereto as **Schedule “A”**

TAKE NOTICE that an application will be made by the applicant to Mr. Justice Walker in Chambers at the courthouse at **800 Smithe Street, Vancouver, B.C.** on August 23, 2024 at **2:00 p.m.**, for the orders set out in Part 1 below.

The Applicant estimates that the application will take **1 hour**.

This matter is not within the jurisdiction of an Associate Judge

PART 1: ORDERS SOUGHT

1. If necessary, an order abridging the time for service of this Notice of Application and the Receiver’s Fourth Report to the Court to the time actually given;
2. An approval and reverse vesting (the “**RVO**”), substantially in the form attached hereto as **Schedule “B”**; and
3. Such further and honourable relief as this Court may deem just.

Part 2: Factual Basis

Background

4. Pursuant to the Receivership Order dated November 8, 2023, as amended and restated on December 15, 2023, April 19, 2024, and July 9, 2024 (the “**Receivership Order**”), MNP Ltd. has been appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and property (the “**Property**”) of the Debtors.
5. The Debtors were in the process of building and marketing a real estate development of 87 three-storey row townhouse units (the “**Project**”) located at 20335 70A Avenue, Langley, British Columbia (the “**Lands**”).

Marketing and Original Sale by AVO

6. Commencing in April 2024, in accordance with the Receivership Order, the Receiver marketed for sale the Lands and the Project. The Receiver’s marketing efforts continued until this Court approved a sale (the “**Original Sale**”) of the Lands to Redekop Ferrario (DD) Corp. (the “**Purchaser**”) for a sale price of \$35,310,000, by Approval and Vesting Order pronounced July 9, 2024 (the “**AVO**”).
7. After payment of priority amounts, the Debtors’ first-ranking secured creditor, MCAP Financial Corporation (“**MCAP**”), will recover in full its secured debt from the purchase price under the Original Sale. The second-ranking secured creditor, Canada Mortgage Servicing Corporation (“**CMSC**”) will suffer a shortfall of approximately \$7,000,000. The third- and fourth-ranking creditors will receive nothing.
8. MCAP and CMSC (notwithstanding its projected shortfall) supported approval of the Original Sale, as recommended by the Receiver. The Debtors and the third- and fourth-ranking creditors opposed, alleging, among other procedural deficiencies, that the Lands and the Project had not been adequately marketed to achieve the highest possible purchase price. In granting the AVO, the Honourable Justice Walker found that the Receiver’s marketing process was fair, sufficient, and commercially reasonable.
9. The AVO includes a term as follows:

With the consent of the Purchaser, the Receiver is at liberty to subsequently seek approval of an amended Agreement of Purchase and Sale between the Purchaser and the Receiver that is structured as a share sale and subject to, and to be implemented by, a reverse vesting order. For clarity, and notwithstanding this provision, the Transaction hereby approved remains binding on the Purchaser and the Receiver unless or until it is replaced by a binding amended Agreement of Purchase and Sale between the Purchaser and the Receiver that has been approved by this Court.

Proposed RVO

10. As contemplated by the foregoing term, the Receiver and the Purchaser have negotiated an amended Agreement of Purchase and Sale (the “**Amended Sale Agreement**”), on the same commercial terms as the Original Sale, but for an increased purchase price, structured as a share sale rather than an asset sale. The Amended Sale Agreement contemplates that the transaction will be implemented by an RVO, in place of the AVO. However, the Amended Sale Agreement is only effective and binding on the parties, and will only replace the Agreement of Purchase and Sale approved under the AVO, if and when the Amended Sale Agreement is approved by this Court.
11. If the Amended Sale Agreement is approved, the additional sale proceeds (less certain costs and fees) will be paid to CMSC, materially increasing its recovery.
12. Further, the RVO will allow the Purchaser to retain certain non-transferable, intangible assets, such as development and building permits and licenses, facilitating more efficient completion of the Project. The Purchaser may also take advantage of certain tax losses credited to the Debtors, which will otherwise be lost.

Part 3: Legal Basis

13. The purpose and object of a receivership authorized by the *Bankruptcy and Insolvency Act*, RSC, 1985 c. B-3 (“**BIA**”), is to facilitate and enhance the preservation and realization of the assets of a debtor for the benefit of creditors, in accordance with their priority rankings.

British Columbia v Peakhill Capital Inc., 2024 BCCA 246 (“*Peakhill*”) at para. 21.

14. Our Court of Appeal recently confirmed that there exists “clear jurisdiction to authorize an RVO” in receivership proceedings, under s. 243 of the BIA.

Peakhill at para. 24.

15. Employment of the RVO structure is not routine or ordinary course. Rather, courts are directed to consider the appropriateness of RVOs on a case-by-case basis, having regard to the following factors:

- (a) **Why is the RVO necessary in this case?** As set out above, the AVO approved a transaction whereby CMSC will suffer an estimated \$7,000,000 shortfall on its secured debt. Because the proposed RVO sale attracts a higher purchase price, it will increase CMSC’s recovery. The AVO transaction will proceed unless the proposed RVO is approved, meaning that the RVO is necessary in this case to maximize the realization of assets for the benefit of creditors, in service of the BIA’s objectives.

- (b) **Does the RVO structure produce an economic result at least as favourable as any other viable alternative?** As set out above, the proposed RVO will result in recoveries for creditors higher than will be recouped under the AVO, being the only viable alternative.
- (c) **Is any stakeholder worse off under the RVO structure than they would have been under any other viable alternative?** The Province of British Columbia will not receive Property Transfer Tax (“PTT”) under the RVO, and in that regard is worse off than it would be under the AVO. However, the Court in *Peakhill* recognized that commercial parties legitimately transact to avoid paying PTT all the time, and it is “perfectly proper” to do so. Particularly where the purpose and result of a PTT-avoidant transaction is to maximize recovery for creditors in an insolvency proceeding, that transaction should be allowed to proceed, despite disadvantage to the Province.
- (d) **Does the consideration being paid for the debtor’s business reflect the importance and value of the licenses and permits (or other intangible assets) being preserved under the RVO structure?** The Purchaser is willing to pay an increased price under the RVO than under the AVO. Effecting a sale of the Lands by RVO will allow the Purchaser to retain intangible assets and tax losses associated with the Debtors that will otherwise be lost.

Harte Gold Corp (Re), 2022 ONSC 653 at para. 38.

Peakhill at paras. 30-31.

Trustee’s Fourth Report to Court dated August 12, 2024

16. Except as to purchase price and mechanics, the proposed sale underlying the RVO is the same as that approved by the AVO. The AVO therefore confirms that the *Soundair* factors are satisfied in the circumstances. For certainty, *Soundair* requires a court to consider:

- (a) whether the receiver has made a sufficient effort to get the price and has not acted improvidently;
- (b) the interests of all parties;
- (c) the efficacy and integrity of the process by which the offers are obtained; and
- (a) whether there has been unfairness in the working out of the process.

Royal Bank of Canada v. Soundair Corp., 1991 CanLII 2727 (ON CA) (“*Soundair*”) at paras. 8-9.

17. In approving the AVO, the Honourable Justice Walker found, among other things, that the marketing efforts undertaken by the Receiver in respect of the Lands were fair, sufficient, and

commercially reasonable. Further, as set out above, the RVO will maximize creditor recovery, and serve the interests of all parties, with the sole exception of the Province. The *Soundair* criteria are therefore satisfied in the circumstances.

Part 4: MATERIALS TO BE RELIED ON

18. Second Further Amended and Restated Receivership Order, pronounced July 9, 2024;
19. Receiver's First Report to Court, filed December 6, 2023;
20. Receiver's Second Report to the Court, filed April 8, 2024;
21. Receiver's Third Report to the Court, filed June 24, 2024;
22. Receiver's Supplemental Report to the Receiver's Third Report, filed July 8, 2024;
23. Receiver's Fourth Report to the Court to be filed herein, and
24. Such further and other material as counsel may advise and this Honourable Court may consider.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to the application, you must

- (d) file an Application Response in Form 33 within 5 days after the date of service of this Notice of Application or, if the application is brought under Rule 9-7 of the Supreme Court Civil Rules, within 11 days after the date of service of this notice of application, and
- (e) at least 2 days before the date set for the hearing of the application, serve on the applicant 2 copies, and on every other party one copy, of a filed copy of the Application Response and the other documents referred to in Rule 9-7(12) of the Supreme Court Civil Rules.

Dated at the City of Vancouver, in the Province of British Columbia, this 12th day of August, 2024.


 Lawson Lundell LLP
 Counsel for the Receiver, MNP Ltd.

This Notice of Application is filed by William L. Roberts and Baylee Hunt of the law firm of Lawson Lundell LLP, whose place of business and address for delivery is 1600 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

SCHEDULE "A"

No. S-237489
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC., QRD (WILLOUGHBY) LIMITED PARTNERSHIP, QRD (WILLOUGHBY) GP INC., QUARRY ROCK DEVELOPMENTS INC., RICHARD LAWSON, MATTHEW WEBER, CANADIAN MORTGAGE SERVICING CORPORATION, OVERLAND CAPITAL CANADA INC., WUBS INVESTMENTS LTD., and STEELCREST CONSTRUCTION INC.

RESPONDENTS

Service List

(Last updated August 11, 2024)

<p>DLA Piper (Canada) LLP Suite 2700, 1 133 Melville Street Vancouver, BC V6E 4E5</p> <p>Attention: Colin Brousson Alexandra McCawley</p> <p>Email: colin.brousson@dlapiper.com alexandra.mccawley@dlapiper.com dannis.yang@dlapiper.com</p> <p>Tel: 604.687.9444</p> <p><i>Counsel for the Petitioner</i></p>	<p>Lawson Lundell I-LP Cathedral Place, 925 W Georgia St #1600, Vancouver, BC V6C 31.2</p> <p>Attention: William Roberts</p> <p>Email: wroberts@lawsonlundell.com; bhunt@lawsonlundell.com</p> <p>Tel: 604.631.9163</p> <p><i>Counsel for the Receiver</i></p>
<p>MNP Ltd. PO Box 72, Bentall One 505 Burrard Street, Suite 403 Vancouver, BC 1M3</p> <p>Attention: Mario Mainella Gordon Brown</p> <p>Email: mario.mainella@mnp.ca gordon.brown@mnp.ca</p> <p>Tel: 604.689.8939</p> <p><i>The Receiver</i></p>	<p>McQuarrie Hunter I-LP suite 1500, 13450 102 Avenue Surrey, BC V3T 5X3</p> <p>Attention: Dan Moseley</p> <p>Email: dmoseley@mcquarrie.com</p> <p>Tel: 604.580.7022</p> <p><i>Counsel for QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, QRD (Willoughby) GP Inc., Quarry Rock Developments Inc., Richard Lawson and Matthew Weber</i></p>

<p>Koffman Kalef LLP 19th Floor, 885 West Georgia Street Vancouver, BC V6C 3H4</p> <p>Attention: Shawn Poisson</p> <p>Email: sap@kkbl.com; cym@kkbl.com</p> <p>Tel: 604.891.3688</p> <p><i>Counsel for Canadian Mortgage Servicing Corporation</i></p>	<p>1181970 B.C. Ltd., formerly Steelcrest Construction Inc. #301 – 5641 200th Street Langley, BC V3A 1M7</p> <p>Attention: Raj Dhaliwal</p> <p>Email: info@steelcrestconstruction.com; gnsbitt@fasken.com; akumar@fasken.com</p>
<p>Watson Goepel LLP 1200 - 1075 West Georgia Street Vancouver, BC V6E 3C9</p> <p>Attention: Jeremy West</p> <p>Email: jwest@watsongoepel.com thanson@watsongoepel.com cchochrane@watsongoepel.com</p> <p>Tel: 604.642.5684</p> <p><i>Counsel for Overland Capital Canada Inc.</i></p>	<p>Superintendent of Real Estate 600 – 750 West Pender Street Vancouver, BC V6C 2T8</p> <p>Attention: Kyle Ferguson</p> <p>Email: kyle.ferguson@bcfsa.ca</p> <p>Tel: 778-725-0755</p>
<p>Key Consulting Services Inc. 4615 208 Street Langley, BC V3A 2H7</p> <p>Attention: Bobby Atwal</p> <p>Email: bobby@keyconsultingservices.ca</p>	<p>His Majesty the King in Right of Canada Department of Justice 900 - 840 Howe Street Vancouver, B.C. V6Z 2S9</p>
<p>Fraser Valley Refrigeration 26121 Fraser Highway Langley, BC V4W 2W8</p> <p>Attention: Christine Masztalar</p> <p>Email: christinem@fvrl.com</p> <p>Tel: 604.856.8644; ext 235 / 604.309.9810</p>	<p>Alexander Holburn Beaudin & Lang LLP 2700 – 700 West Georgia Street Vancouver, BC V7Y 1B8</p> <p>Attention: David A. Garner</p> <p>Email: dgarner@AHBL.CA; mdesmarais@AHBL.CA; smanson@AHBL.CA</p> <p>Tel: 604-484-1708</p> <p><i>Counsel for Wubs Investments Ltd.</i></p>

<p>Gowling WLG (Canada) LLP Suite 2300, Bentall 5 550 Burrard Street Vancouver BC V6C 2B5</p> <p>Attention: Jonathan B. Ross</p> <p>Email: Jonathan.Ross@gowlingwlg.com</p> <p>Tel: 604-891-2778</p> <p><i>Counsel for Redekop Ferrario Properties (DD) Corp.</i></p>	<p>Courtesy copies to: Bear Creek Law LLP Suite 220 – 10524 King George Blvd. Surrey, BC V3T 2X2</p> <p>Attention: Mikhael Magaril</p> <p>Email: mmagaril@bearcreeklaw.com</p> <p>Tel: 604-259-6200</p> <p><i>Counsel for L2 Exterior Ltd.</i></p>
<p>Courtesy copies to: His Majesty the King in Right of British Columbia c/o Ministry of Attorney General, Legal Services Branch 1001 Douglas Street Victoria, BC V8W 9J7 Email: AGLSBRevTaxInsolvency@gov.bc.ca</p>	<p>Courtesy copies to: P&J Concrete Pumping Ltd. c/o Virk Viyas and Associate Lawyers #208 – 15240 Highway 10 Surrey, BC V3S 5K7</p> <p>14522 74 Avenue Surrey, BC V3S 2G6</p>

SCHEDULE "B"

NO. S-237489
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC., QRD
(WILLOUGHBY) LIMITED PARTNERSHIP, QRD
(WILLOUGHBY) GP INC., QUARRY ROCK
DEVELOPMENTS INC., RICHARD LAWSON, MATTHEW
WEBER, CANADIAN MORTGAGE SERVICING
CORPORATION, OVERLAND CAPITAL CANADA INC.,
WUBS INVESTMENTS LTD., and STEELCREST
CONSTRUCTION INC.

THE RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE) FRIDAY, THE 23rd DAY
JUSTICE WALKER) OF AUGUST, 2024
)

THE APPLICATION of MNP Ltd., in its capacity as Court-appointed Receiver and Manager (the "**Receiver**") of the assets, undertakings and properties of QRD (Willoughby) Holdings Inc. (the "**Nominee**") QRD (Willoughby) Limited Partnership (the "**LP**") and QRD (Willoughby) GP Inc. (the "**GP**", and together with the Nominee and the LP, the "**Debtors**"), coming on for hearing at Vancouver, British Columbia, on the 23rd day of August, 2024; AND ON HEARING William L. Roberts, counsel for the Receiver, and those other counsel listed on **Schedule "A"** hereto, and no one appearing for the Respondents, although duly served; AND UPON READING the material filed, including the Fourth Report of the Receiver dated August 12, 2024 (the "**Report**");

THIS COURT ORDERS AND DECLARES THAT:

ABRIDGING TIME

1. The time for service of the Notice of Application of the Receiver and the Report, both filed herein on ●, 2024, is hereby abridged so that the application is properly returnable today, and the need for further service of the Notice of Application and the Report is hereby dispensed with;

DEFINITIONS

2. Capitalized terms used but not otherwise defined in this Order have the meaning given to them in the Offer to Purchase and Contract of Purchase and Sale Agreement dated for reference August 12, 2024 (the “**Purchase and Sale Agreement**”) between the Receiver and Redekop Ferrario Properties (DD) Corp. (the “**Original Purchaser**”) and RFP (Willoughby) Limited Partnership (the “**Purchaser**”), a copy of which is attached as Appendix “A” to the Report.
3. In this Order, the following terms shall bear the meaning given to them below:
 - (a) “**Claims**” means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing, all Encumbrances;
 - (b) “**Encumbrances**” means (i) any encumbrances or charges created by the Receivership Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on **Schedule “B”** hereto, but excluding the permitted encumbrances, easements and restrictive covenants listed on **Schedule “C”** hereto;
 - (c) “**Liability**” means any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed;
 - (d) “**Receivership Order**” means, collectively, the Receivership Order of the Honourable Justice Groves pronounced November 8, 2023, the Amended and Restated Receivership Order of the Honourable Justice Whatley pronounced December 15, 2023, the Further Amended and Restated Receivership Order of the Honourable Justice Loo pronounced April 19, 2024, and the Second Further Amended and Restated Receivership Order of the Honourable Justice Walker of the Supreme Court of British Columbia granted in the within proceedings on July 9, 2024;

- (e) “**Nominee’s Retained Assets**” means all right, title and interest of the Nominee, if any, in and to the Lands and the Buildings, all permits, licenses, and deposits that relate to the Lands or the Buildings, and any other assets, property or obligations, which, pursuant to the terms and conditions of the Purchase and Sale Agreement, remain the property of the Nominee after completion of the Transaction;
- (f) “**Nominee’s Transferred Assets**” means the Nominee’s entitlement, if any, to the Purchase Price; and
- (g) “**Nominee’s Transferred Liabilities**” means (i) all Liability of the Nominee arising prior to the Closing Date, including, but not limited to, Liability owed to lenders, service contractors, or third parties of any kind, including Liability under contracts, permits, or leases relating to the Lands or the Buildings; (ii) any Liability relating to or arising out of the Nominee’s Transferred Assets; (iii) any Liability of the Nominee for taxes resulting from the Transaction (for the avoidance of doubt this shall not include any GST or other taxes payable by the Purchaser in respect of the Transaction pursuant to the Purchase and Sale Agreement); (iv) all employees, employment agreements, executive personnel agreements, officer or director agreements, employee wages, employee benefit plans or payments, pension obligations, employee tax withholding obligations, employee health or dental plan obligations, all employee complaints or claims, labour relations board actions or other employee proceedings and similar obligations of the Nominee; (v) all Liability for payment of fees for operation of the Lands or the Buildings up to the Closing Date; (vi) any proceedings, claims or actions commenced in any court initiated or threatened against the Nominee; (vii) the costs and expenses and Liability of the Nominee under the within proceedings; (viii) any Liability for a breach of or non-compliance with any applicable law by the Nominee; and (ix) the Liability of the Nominee under the Purchase and Sale Agreement.

APPROVAL OF THE TRANSACTION

- 4. The sale transaction (the “**Transaction**”) contemplated by the Purchase and Sale Agreement is hereby approved, and the Purchase and Sale Agreement is commercially reasonable. The execution of the Purchase and Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction.

VESTING OF ASSETS AND LIABILITIES

- 5. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule “D”** hereto (the “**Receiver’s Certificate**”), the following shall occur and be deemed to have occurred commencing at the time of delivery of the Receiver's Certificate (the “**Effective Time**”) in the following sequence:

- (a) The Receiver shall incorporate a new subsidiary (“**Residual Co**”) of the GP, which shall be added as a Respondent in the within proceedings pursuant to paragraph 12 of this Order;
- (b) All of the Nominee’s right, title and interest in and to the Nominee’s Transferred Assets shall be transferred to, and shall vest absolutely and exclusively, without recourse, in Residual Co;
- (c) All Claims, Encumbrances, and Nominee’s Transferred Liabilities in respect of the Nominee and the Nominee’s right, title and interest in the Nominee’s Retained Assets shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in Residual Co, and (i) such Claims and Encumbrances shall continue to attach to the Nominee’s Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time, as if the Nominee’s Transferred Assets had not been conveyed and had remained in the possession or control of the person having possession or control immediately prior to the transfer; (ii) such Claims and Encumbrances equal to the fair market value of the Nominee’s Transferred Assets shall be transferred to and assumed by Residual Co in consideration for the transfer of the Nominee’s Transferred Assets; and (iii) the remaining Claims and Encumbrances, and all Nominee’s Transferred Liabilities shall be transferred to and assumed by Residual Co for no consideration as part of, and to facilitate, the implementation of the Transaction;
- (d) All Claims, Encumbrances and Nominee’s Transferred Liabilities in respect of the Nominee, the Shares, and the Nominee’s Retained Assets shall be irrevocably and forever expunged, released and discharged as against the Purchaser, the Nominee and the Nominee’s Retained Assets;
- (e) Without limiting subparagraph 4(d), any and all security registrations against the Nominee, the Shares, and the Nominee’s Retained Assets shall be and are hereby forever released and discharged as against the Nominee, and all such security registrations shall attach to the Nominee’s Transferred Assets vested in Residual Co and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Nominee’s Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by Residual Co of such Security Registrations;
- (f) The Nominee shall cease to be a Respondent in the within proceedings and shall be deemed released from the purview of all Orders of this Court granted in respect of the within proceedings, save and except for this Order;
- (g) All of the GP’s and the LP’s legal and/or beneficial right, title and interest in and to:

- (i) the Shares;
 - (ii) the Lands and the Buildings; and
 - (iii) all permits, licenses, and deposits that relate to the Lands or the Buildings,
- shall vest absolutely in the Purchaser, free and clear of all Claims and Encumbrances.
6. The Receiver and Residual Co are hereby permitted to execute and file articles of incorporation, bylaws, and such other documents or instruments as may be required to permit or enable and effect the incorporation of Residual Co and the Transaction, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the incorporation of Residual Co.
7. This Order shall constitute the only authorization required by the Receiver, the GP, or Residual Co to proceed with the Transaction, including, without limitation, the incorporation of Residual Co and, except as specifically provided in the Purchase and Sale Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority exercising jurisdiction in respect of the GP or the Nominee is required for the due execution, delivery and performance by the Receiver, the GP, the Nominee, and by Residual Co of the Agreement and the completion of the Transaction.
8. As of the Effective Time:
- (a) the Nominee shall continue to hold all legal right, title and interest in and to the Nominee's Retained Assets, free and clear of all Claims and Encumbrances and the Nominee's Transferred Liabilities;
 - (b) the Purchaser shall hold all beneficial right, title and interest in and to the Nominee's Retained Assets, free and clear of all Claims and Encumbrances and the Nominee's Transferred Liabilities; and
 - (c) the Nominee shall be deemed to have disposed of the Nominee's Transferred Assets and shall have no right, title or interest in or to the Nominee's Transferred Assets.
9. For greater certainty, any person that, prior to the Effective Time, had a Claim or Encumbrance against the Nominee or its assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Nominee or the Nominee's Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, against the Nominee's Transferred Assets to be administered by the Receiver in Residual Co from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had

immediately prior to its transfer to Residual Co, and nothing in this Order limits, lessens, modifies (other than by change in Debtor) or extinguishes the Claim or Encumbrance of any Person as against the Nominee's Transferred Assets to be administered by the Receiver in Residual Co.

10. From and after the Effective Time, the Purchaser and/or the Nominee shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Nominee and the Nominee's Retained Assets of the Claims, Encumbrances and Nominee's Transferred Liabilities that are transferred to and vested in Residual Co pursuant to this Order.
11. Upon the delivery of the Receiver's Certificate, and upon filing of a certified copy of this Order together with any applicable registration fees, all Governmental Authorities exercising jurisdiction with respect to the Nominee, the Nominee's Retained Assets, or the Nominee's Transferred Assets are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and conveyances as may be required to give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Claims and Encumbrances and Nominee's Transferred Liabilities against or in respect of the Nominee and the Nominee's Retained Assets, and presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RELEASES

12. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Receiver, its directors, officers, employees, counsel, advisors and representatives, the Purchaser, the Nominee, or the Nominee's Retained Assets, in any way relating to, arising from or in respect of:
 - (a) the Nominee's Transferred Assets;
 - (b) any and all Claims or Encumbrances and the Nominee's Transferred Liabilities against or relating to the Nominee, the Nominee's Transferred Assets or the Nominee's Retained Assets existing immediately prior to the Effective Time;
 - (c) the insolvency of the Nominee prior to the Effective Time;
 - (d) the commencement or existence of these receivership proceedings; or
 - (e) the completion of the Transaction.
13. From and after the Effective Time, the current and former directors, officers, employees, legal counsel and advisors of Residual Co shall be deemed to be forever irrevocably released and discharged from all present and future claims, liabilities, indebtedness, demands, actions or obligations of any kind, based in whole or in part on any act or

omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time or undertaken or completed in connection with or pursuant to the terms of this Order in respect of, relating to, or arising out of (i) the Debtors or their business, operations, assets, property and affairs, or (ii) the Transaction.

RESIDUAL CO

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

MISCELLANEOUS

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

the execution of the Purchase and Sale Agreement and the implementation of the Transaction shall be binding on any trustee or other administrator in respect of Residual Co and any trustee in bankruptcy or receiver that may be appointed in respect of the Nominee, and shall not be void or voidable by creditors of Residual Co or the Nominee, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

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

Signature of Alexis E. Teasdale

Party Lawyer for the Receiver, MNP Ltd.

BY THE COURT

REGISTRAR

Schedule A – List of Parties Appearing

Counsel/Person Appearing	Party Represented
Alexis Teasdale	The Receiver, MNP Ltd.
Colin Brousson	The Petitioner, MCAP Financial Corporation
Shawn A. Poisson	Canadian Mortgage Servicing Corporation
Jonathan Van Netten	Redekop Ferrario Properties (DD) Corp.

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

Nature of Charge	Registration No.
Mortgage MCAP Financial Corporation	CA8445084, modified by CA9449240, modified by CB869275
Assignment of Rents MCAP Financial Corporation	CA8445085
Priority Agreement	CA8650543, CA8650544, CA9248521, CA9248524, CA9248527, CA9248528, CA9248531, CA9248534, CA9248538, CA9248543, CA9248546, CA9248551
Mortgage Canadian Mortgage Servicing Corporation	CA9455510, modified by CB869276
Assignment of Rents Canadian Mortgage Servicing Corporation	CA9455511, modified by CB869277
Priority Agreement	CA9456113, CA9456114, CB869512, CB869513
Mortgage Overland Capital Canada Inc.	CB919367
Mortgage WUBS Investments Ltd.	CB924480
Assignment of Rents WUBS Investments Ltd.	CB924481
Claim of Builders Lien Steelcrest Construction Inc.	HB2194
Certificate of Pending Litigation MCAP Financial Corporation	CB1008226
Claim of Builders Lien 1181970 B.C. Ltd.	HB2660
Claim of Builders Lien P&J Concrete Plumbing Ltd.	CB1206875
Claim of Builders Lien L2 Exterior Ltd.	CB1255963

Together with any other charges, liens, encumbrances, caveats, mortgages, certificates of pending litigation, or interests registered against the lands subsequent to Certificate of Pending Litigation No. CB1008226

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

1. The reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown;
2. The following legal notations:
 - (a) HERETO IS ANNEXED EASEMENT CA7826904 OVER PART OF LOT 37 PLAN 30901 AS SHOWN ON PLAN EPP91138
 - (b) NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA7999556 FILED 2020-01-24
 - (c) THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CA9344379
 - (d) ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA), FILED 31.03.1976 UNDER NO. M26464, PLAN NO. 49871
 - (e) ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA) FILED 31.03.1976 UNDER NO. M26464 PLAN 49871
 - (f) ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA) FILED 31.03.1976 UNDER NO. M26464 PLAN 49871
 - (g) ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA) FILED 31.03.1976 UNDER NO. M26464 PLAN NO. 49871
3. And the following:

Nature of Charge	Registration No.
Statutory Right of Way The Corporation of the Township of Langley	AB166579
Covenant The Corporation of the Township of Langley	CA7826891
Covenant The Corporation of the Township of Langley	CA7826894
Statutory Right of Way The Corporation of the Township of Langley Part on Plan EPP91137	CA7826898

Covenant The Corporation of the Township of Langley	CA7826906
Easement	CA7826914
Covenant The Corporation of the Township of Langley	CA7826916
Covenant The Corporation of the Township of Langley	CA7826918
Statutory Right of Way British Columbia Hydro and Power Authority	CA8650541
Statutory Right of Way Telus Communications Inc.	CA8650542
Covenant The Corporation of the Township of Langley	CA9248520
Covenant The Corporation of the Township of Langley	CA9248523
Covenant The Corporation of the Township of Langley	CA9248526
Statutory Right of Way The Corporation of the Township of Langley	CA9248530
Covenant The Corporation of the Township of Langley	CA9248533
Statutory Right of Way The Corporation of the Township of Langley	CA9248537
Easement	CA9248542
Covenant The Corporation of the Township of Langley	CA9248545
Covenant The Corporation of the Township of Langley	CA9248550
Statutory Right of Way FortisBC Energy Inc.	CA9342985

Schedule D – Receiver’s Certificate

NO. S-237489
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC., QRD
(WILLOUGHBY) LIMITED PARTNERSHIP, QRD
(WILLOUGHBY) GP INC., QUARRY ROCK
DEVELOPMENTS INC., RICHARD LAWSON, MATTHEW
WEBER, CANADIAN MORTGAGE SERVICING
CORPORATION, OVERLAND CAPITAL CANADA INC.,
WUBS INVESTMENTS LTD., and STEELCREST
CONSTRUCTION INC.

RESPONDENTS

Receiver’s Certificate

RECITALS

A. Pursuant to an Order of the Supreme Court of British Columbia (the “**Court**”) dated November 8, 2023, as amended by the Amended and Restated Receivership Order pronounced on December 15, 2023, a Further Amended and Restated Receivership Order dated April 19, 2024, and a Second Further Amended and Restated Receivership Order dated July 9, 2024 (the “**Receivership Order**”), without security, of all the assets, undertakings and property (the “**Property**”) of QRD (Willoughby) Holdings Inc. QRD (Willoughby) Limited Partnership and QRD (Willoughby) GP Inc (collectively, the “**Debtors**”).

B. Pursuant to an Order of the Court dated ●, 2024 (the “**Approval and Reverse Vesting Order**”), the Court approved the Contract of Purchase and Sale dated ●, 2024 (the “**Purchase and Sale Agreement**”) between the Receiver and Redekop Ferrario Properties (DD) Corp. (the “**Original Purchaser**”) and RFP (Willoughby) Limited Partnership (the “**Purchaser**”), for the sum of \$●, and the transactions contemplated thereby, and providing for the occurrence of certain events in the specified sequence upon delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by the Purchaser of the Purchase Price for the Property; (ii) that the conditions to Closing as set out in Section ● of the Purchase and Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Reverse Vesting Order or the Purchase and Sale Agreement, as applicable.

THE RECEIVER CERTIFIES the following:

4. The Purchaser has paid and the Receiver has received the Purchase Price for the Property payable on the Closing Date pursuant to the Purchase and Sale Agreement;
5. The conditions to Closing set out in Section ● of the Purchase and Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
6. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at Vancouver, BC this ___ day of _____, 2024.

MNP Ltd.
in its capacity as Receiver and Manager of certain
assets, undertakings and properties of the Debtors
and not in its personal capacity

Per: _____

NO. S-237489
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

QRD (WILLOUGHBY) HOLDINGS INC., QRD
(WILLOUGHBY) LIMITED PARTNERSHIP, QRD
(WILLOUGHBY) GP INC., QUARRY ROCK
DEVELOPMENTS INC., RICHARD LAWSON, MATTHEW
WEBER, CANADIAN MORTGAGE SERVICING
CORPORATION, OVERLAND CAPITAL CANADA INC.,
WUBS INVESTMENTS LTD., and STEELCREST
CONSTRUCTION INC.

RESPONDENTS

NOTICE OF APPLICATION



Barristers & Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia V6C 3L2
Phone: (604) 685-3456
Attention: William Roberts