



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 “**Debtor**”)

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

TAKE NOTICE that an application will be made by the applicant to the presiding Judge in Chambers at the courthouse at **800 Smithe Street, Vancouver, B.C.** on **July 8, 2024** at **9:45 a.m.**, for the orders set out in Part 1 below.

The Applicant(s) estimate(s) that the application will take **10 minutes**.

This matter is not within the jurisdiction of an Associate Judge

PART 1: ORDERS SOUGHT

1. An Order substantially in the form attached hereto as **Schedule “B”**, approving the sale of, and vesting title in, the Property to Redekop Ferrario Properties (DD) Corp., free and clear of all claims and encumbrances, and granting other ancillary relief, with a blackline to the Model Approval and Vesting Order attached as **Schedule “C”**.
2. An Order substantially in the form attached hereto as **Schedule “D”** that the activities of MNP Ltd. (the **“Receiver”**) from April 4, 2024 to date, as set out in the Receiver’s Third Report to the Court filed herein (the **“Receiver’s 3rd Report”**), be approved.
3. An Order further amending the Further Amended and Restated Receivership Order (the **“FARRO”**) granted herein by Justice Loo on April 19, 2024, by increasing the amount the Receiver is authorized and empowered to borrow under paragraph 24 of the FARRO by \$205,000, to an aggregate of \$2,589,000, and increasing the total amount of Receiver’s Charge and the Receiver’s Borrowings Charge under paragraph 24 of the FARRO from \$2,384,000 to \$2,589,000, in substantially the form attached hereto as **Schedule “E”**, with a blacklined version compared to the FARRO attached as **Schedule “F”**.
1. Such further and other relief as counsel may advise and this Honourable Court may deem just.

PART 2: FACTUAL BASIS

2. Pursuant to section 31 of the *BIA*, with the permission of the court, a receiver within the meaning of subsection 243(2) may make necessary or advisable advances, incur obligations, borrow money and give security on the debtor’s property in any amount, on any terms and on any property that may be authorized by the court and those advances, obligations and money borrowed must be repaid out of the debtor’s property in priority to the creditors’ claims.
4. Paragraph 20 of the Receivership Order grants a charge on the assets, undertakings and property of the Debtors, including the proceeds thereof (the **“Property”**) in favour of the Receiver and its counsel as security for the payment of their fees and disbursements, which ranks in priority to all claims against the Property, subject to certain exceptions (the **“Receiver’s Charge”**).

Part 2: FACTUAL BASIS

Background

1. Pursuant to the Receivership Order dated November 8, 2023, as amended on December 15, 2023, and on April 19, 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 QRD (Willoughby) Holdings Inc. QRD (Willoughby) Limited Partnership and QRD (Willoughby) GP Inc (collectively, the **“Debtor”**).

2. The Debtor was in the process of building and marketing a real estate development of 87 three-storey row townhouse units located at the Lands, being 20335 70A Avenue, Langley, British Columbia (the “**Project**”).
3. The Project consists of three phases:
 - (a) Phase 1 – 34 Units (“**Phase 1**”)
 - (b) Phase 2 – 23 Units (“**Phase 2**”)
 - (c) Phase 3 – 30 units (“**Phase 3**”)
4. Phase 1 is under construction and consists of seven separate buildings with a combined 34 units. Building one (4 units) and building two (6 units) in Phase 1 have been completed, and the Township of Langley approved the final inspections for these buildings on March 27, 2024.
5. The winterization of the Phase 1 units has also been completed. The Receiver has continued to monitor the winterization work, and minor maintenance and remediation work are ongoing.
6. Construction of the Phase 2 and 3 units has yet to commence.

Marketing and Sales Process

7. The Receivership Order expressly authorizes and empowers the Receiver 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.
8. For the reasons set out in the Second Report, the Receiver elected to list the Property for sale on an open basis, with no set parameters other than a minimum listing period, to maintain flexibility in negotiations with potential purchasers, while ensuring the Property is adequately exposed to the market.
9. On April 22, 2024, the Receiver entered into a listing agreement with Colliers International (“**Colliers**”).
10. Colliers gathered and prepared information related to the marketing and sale of the Property and began distribution of the initial marketing materials on April 24, 2024.
11. To ensure maximum exposure to the commercial development community, Colliers maintained a dedicated webpage, engaged a professional photographer to prepare print and electronic advertisements, provided 30 parties with access to a data room, sent 5,697 recipients a custom e-blast advertising the Property, and conducted various tours of the Property.

Offers to Purchase the Property

Offers Received to Date

12. Since marketing began, 8 groups have formerly toured the Property with Colliers, and a number of additional parties have viewed the Property, informally. There has been relatively strong interest in the Property. Multiple parties that have expressed an interest, with 10-15 parties having completed detailed due diligence, as well as costing to complete the project. The majority of the interest has been from developers or builders, who would purchase the property “as-is”, and take on the cost risk to complete the project. The Receiver also received a letter of intent (for discussion purposes) from a proposed purchaser, but those discussions did not culminate in an offer.
13. On May 30, 2024, the Receiver received an “no subject” offer from Redekop Ferarrio Properties (DD) Corp. (the “**Purchaser**”). After exchanging counter-offers, the Receiver and the Purchaser entered into the subject offer (the “**Redekop Offer**”) on June 5, 2024, at a sale price of \$35,000,000.

Subject Offer

14. The Receiver is of the view that the price and conditions of the Offer are fair and reasonable and recommended to the Petitioner acceptance of the same, subject to Court approval. The Petitioner agreed and the Receiver prepared an Offer to Purchase and Agreement of Purchase and Sale (the “**OTP**”), the key terms of which will be detailed in the Receiver’s Third Report to Court.

Part 3: LEGAL BASIS

15. Based upon the facts set out in Part 2 above, the Receiver submits that it is entitled to the orders sought herein.
16. The Petitioner will rely on Rule 13-5, 21-7 of the Supreme Court Civil Rules, s. 235 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and s. 15 of the *Law and Equity Act*, R.S.B.C. 1996, c. 253.

Approval of the Sales Properties

17. The factors that the Court ought to consider with respecting to the approval of a sale in receivership proceedings are set out in *Royal Bank of Canada v. Soundair Corp.* (“**Soundair**”). The factors to be considered are:
 - (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
 - (d) whether there has been unfairness in the working out of the process.

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

18. While a receiver's primary concern is the interest of the debtor's creditors, other persons' interests require consideration as well. This may include the interests of a purchaser who has negotiated an agreement with a court appointed receiver or the interests of the debtor.

***Soundair* at p. 16.**

19. Ultimately, the court should be satisfied that the receiver acted prudently and in a commercially reasonable manner, did not act improvidently, and that there was integrity to the process, such that there was no unfairness, having regard to the interests of all parties. If so, then the offer recommended by the receiver, as the court's officer, ought to be approved.
20. The Ontario Court of Appeal and Nova Scotia Supreme Court have extended the authority conferred under s. 243(1) to the approval of vesting orders in court-appointed receiverships on the basis that such are incidental and ancillary to a receiver's power to sell.

***Dianor* at para. 87; *Royal Bank of Canada v. Eastern Infrastructure Inc.*, 2019 NSSC 297 at para 2.**

21. In consideration of the *Soundair* principles and section 243(1)(c) of the BIA, this Court has the authority to (a) approve the sale of, and vest title in, the Property to the Purchaser free and clear of all claims and encumbrances.
22. The Receiver used an efficient process with integrity to market each parcel for sale. In particular, the Receiver engaged Colliers to market the Property for sale, who listed and marketed each parcel on an "as is, where is" basis, starting in April 2024. To ensure maximum exposure of the Real Property to interested parties, Colliers maintained a dedicated webpage, engaged a professional photographer to prepare advertisements, conducted tours of the Property, and engaged in direct discussions with prospective purchasers.
23. The Receiver made a sufficient effort to get the best price by way of the broad and open marketing process described above. As of the date of the Second Report, the Receiver has received one offer to purchase the Property. Based on its review and analysis of the offer received, the Receiver concluded that the Offer was the best given the circumstances.. There was no unfairness in the working out of the sale process, which was fair, open and transparent. Finally, the Receiver considered the interests of all parties, including the Debtors and their primary secured creditor in determining to recommend the Offer to this Honourable Court for approval.
24. Ultimately, the Receiver has acted prudently and in a commercially reasonable manner with respect to the sale process for the Property. The processes followed by the Receiver had integrity, were fair and transparent, and took into account the interests of all parties.

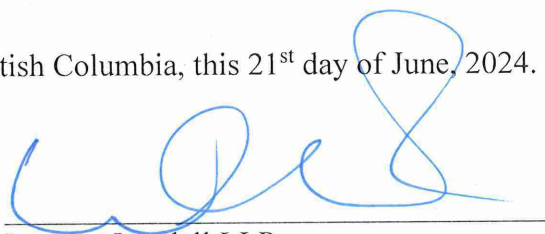
Part 4: MATERIALS TO BE RELIED ON

25. Amended and Restated Receivership Order, dated December 15, 2023;
26. Receiver's First Report to Court, filed December 6, 2023;
27. Receiver's Second Report to the Court, filed April 8, 2024; and
28. Such further and other material as counsel may advise and this Honourable Court may consider.

TO THE PERSON RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Dated at the City of Vancouver, in the Province of British Columbia, this 21st day of June, 2024.



Lawson Lundell LLP
Attention: William Roberts
Solicitors for the Petitioner

This Notice of Application is filed by William Roberts, 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.

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this Notice of Application

with the following variations and additional terms:

Date:

Signature of Judge Associate Judge

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- Other - Foreclosure/Enforcement of Order Nisi – Approval for Sale.**

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 April 25, 2024)

<p>DLA Piper (Canada) LLP Suite 2700, 1 133 Melville Street Vancouver, BC V6E 4E5 Attention: Colin Brousson Alexandra McCawley Email: colin.brousson@dlapiper.com alexandra.mccawley@dlapiper.com dannis.yang@dlapiper.com Tel: 604.687.9444 <i>Counsel for the Petitioner</i></p>	<p>Lawson Lundell I-LP Cathedral Place, 925 W Georgia St #1600, Vancouver, BC V6C 31.2 Attention: William Roberts Email: wroberts@lawsonlundell.com; kjalilvand@lawsonlundell.com Tel: 604.631.9163 <i>Counsel for the Receiver</i></p>
<p>MNP Ltd. PO Box 72, Bentall One 505 Burrard Street, Suite 403 Vancouver, BC 1M3 Attention: Mario Mainella Gordon Brown Email: mario.mainella@mnp.ca gordon.brown@mnp.ca Tel: 604.689.8939 <i>The Receiver</i></p>	<p>McQuarrie Hunter I-LP suite 1500, 13450 102 Avenue Surrey, BC V3T 5X3 Attention: Dan Moseley Email: dmoseley@mcquarrie.com Tel: 604.580.7022 <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; cyw@kkbl.com</p> <p>Tel: 604.891.3688</p> <p><i>Counsel for Canadian Mortgage Servicing Corporation</i></p>	<p>Fasken Martineau DuMoulin LLP 550 Burrard Street, Suite 2900 Vancouver, BC, V6C 0A3</p> <p>Attention: Glen Nesbitt Ashley Kumar</p> <p>Email: gnesbitt@fasken.com akumar@fasken.com</p> <p>Tel: 604.631.4833</p> <p><i>Counsel for 1181970 B.C. Ltd. (formerly Steelcrest Construction Inc.)</i></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 ccochrane@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; smanson@AHBL.CA</p> <p>Tel: 604-484-1708</p> <p><i>Counsel for Wubs Investments Ltd.</i></p>

Clark Wilson LLP
885 W Georgia St, #900
Vancouver, BC V6C 3H1

Attention: Denny Chung

Email: DChung@cwilson.com
BDunlop@dialogdesign.ca
MMarkowski@dialogdesign.ca
PTurner@dialogdesign.ca

Tel: 604.643.3167

*Counsel for DIALOG BC Architecture
Engineering Interior Design Planning
Inc.*

Email Service List:

colin.brousson@dlapiper.com; alexandra.mccawley@dlapiper.com; dannis.yang@dlapiper.com;
wroberts@lawsonlundell.com; kjalilvand@lawsonlundell.com; mario.mainella@mnp.ca;
gordon.brown@mnp.ca; dmoseley@mcquarrie.com; sap@kkbl.com; cyw@kkbl.com;
gnesbitt@fasken.com; akumar@fasken.com; jwest@watsongoepel.com;
ccochrane@watsongoepel.com; kyle.ferguson@bcfsa.ca; christinem@fvrl.com;
bobby@keyconsultingservices.ca; dgarner@AHBL.CA; smanson@AHBL.CA;
DChung@cwilson.com; BDunlop@dialogdesign.ca; MMarkowski@dialogdesign.ca;
PTurner@dialogdesign.ca; DChung@cwilson.com; BDunlop@dialogdesign.ca;
MMarkowski@dialogdesign.ca; PTurner@dialogdesign.ca

cc: wroberts@lawsonlundell.com; kjalilvand@lawsonlundell.com

REMOVED FROM SERVICE LIST, BUT PROVIDE WITH COPIES OF ORDERS:

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

SCHEDULE "B"

NO. S-237489
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

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(WILLOUGHBY) LIMITED PARTNERSHIP, QRD
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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) MONDAY, THE 8TH DAY
) OF JULY, 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. QRD (Willoughby) Limited Partnership and QRD (Willoughby) GP Inc (collectively, the "**Debtor**"), coming on for hearing at Vancouver, British Columbia, on the 8th day of July, 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 Third Report of the Receiver dated _____ (the "Report");

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "**Transaction**") contemplated by the [Asset Purchase Agreement] dated May 30, 2024 (the "**Sale Agreement**") between the Receiver and Redekop Ferrario Properties (DD) Corp. (the "**Purchaser**"), a copy of which is attached as

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

2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule “B”** hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement, and listed on **Schedule “C”** hereto, shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated November 8, 2023, as amended and restated by the further orders of this Court dated December 15, 2023 and April 19, 2024; (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 “D”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “E”** hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. Upon presentation for registration in the Land Title Office for the Land Title District of the Corporation of the Township of Langley of a certified copy of this Order, together with a letter from Lawson Lundell LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
 - (a) enter the Purchaser as the owner of the Lands, as identified in Schedule “C” hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "E".
4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
 5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
 6. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
 7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "E".
 8. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court, [provided that the Closing Date occurs by _____ or within ____ days of the date of this Order].
 9. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 10. 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.
- 11. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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 William L. Roberts
 Party Lawyer for the Petitioners

Signature of
 Party Lawyer for

BY THE COURT

REGISTRAR

Schedule A – List of Parties Appearing

Counsel for the Receiver, MNP Ltd. The Applicant	William L. Roberts Lawson Lundell LLP

Schedule B – Receiver’s Certificate

NO. S-237489
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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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, and a Further Amended and Restated Receivership Order dated April 19, 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 “**Debtor**”).
- B. Pursuant to an Order of the Court dated July 8, 2024 (the “**Approval and Vesting Order**”), the Court approved the Contract of Purchase and Sale dated _____, and addenda (collectively, the “**Sale Agreement**”) between the Receiver and _____. (the “**Purchaser**”), for the sum of \$ _____, and provided for the vesting in the Purchaser of all of the right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Section 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order or the Sale Agreement, as applicable.

THE RECEIVER CERTIFIES the following:

12. The Purchasers have paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
13. The conditions to Closing set out in Section 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
14. The Transaction has been completed to the satisfaction of the Receiver.

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

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: _____

Schedule C – Purchased Assets

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

PARCEL IDENTIFER: 030-943-973

LOT A SECTION 14 TOWNSHIP 8 NEW WESTMINSTER DISTRICT PLAN EPP82621

Schedule D – Claims to be deleted/expunged from title to Real Property

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.	CB24481
Claim of Builders Lien Steelcrest Construction Inc.	HB2194
Certificate of Pending Litigation MCAP Financial Corporation	CB1008226

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 E – Permitted Encumbrances, Easements and Restrictive Covenants
related to Real Property**

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

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

ORDER MADE AFTER APPLICATION



Suite 1600 Cathedral Place
925 West Georgia Street,
Vancouver BC V6C 3L2
Phone: 604-685-3456

Attention: William Roberts
wroberts@lawsonlundell.com

SCHEDULE "C"

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

)
)
)

MONDAY, THE 8TH DAY

OF JULY, 2024

dd/mm/yyyy

THE APPLICATION of MNP Ltd., [RECEIVER'S NAME], in its capacity as Court-appointed [Receiver or Receiver and Manager] (the "Receiver") of the assets, undertakings and properties of QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership and QRD (Willoughby) GP Inc. (collectively, the "[Name of Debtor]"), coming on for hearing at Vancouver, British Columbia, on the 8th day of July, 2024; _____, 201____; 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 Third Report of the Receiver dated _____ (the "Report"); [1];

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "Transaction") contemplated by the [Asset Purchase Agreement] dated May 30, 2024, (the "Sale Agreement") between the Receiver and Redekop Ferrario Properties (DD) Corp. (the "Purchaser"), [2], a copy of which is attached as Appendix "___" to the Report is hereby approved, and the Sale Agreement is commercially reasonable. [3] The execution of the Sale Agreement by the Receiver [4] is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "Purchased Assets").

2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "B" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement, and listed on Schedule "C" hereto, [5] shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") [6] including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated November 8, 2023, as amended and restated by the further orders of this Court dated December 15, 2023 and April 19, 2024; [Date]; (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 "D" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "E" hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets. [7]

3. Upon presentation for registration in the Land Title Office for the Land Title District of the Corporation of the Township of Langley of a certified copy of this Order, together with a letter from Lawson Lundell LLP, [Receiver's counsel], solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
 - (a) enter the Purchaser as the owner of the Lands, as identified in Schedule "CF" hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple

in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "E" [8]
4. For the purposes of determining the nature and priority of Claims, the net proceeds [9] from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, [10], as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
6. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in Schedule "E" [11] to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor. [11]
7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "E".
8. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court, [provided that the Closing Date occurs by _____ or within ____ days of the date of this Order].
9. Notwithstanding:
- (a) these proceedings;

- (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. 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.
11. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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 ~~William L. Roberts~~

Party Lawyer for the Petitioners

<Print Name>

Signature of

Party Lawyer for <name of party(ies)>

<Print Name>

BY THE COURT

REGISTRAR

Schedule A – List of Parties Appearing

Counsel for the Receiver, MNP Ltd. The Applicant	William L. Roberts Lawson Lundell LLP

Schedule B—Receiver's Certificate

NO. S-237489

VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PLIFFIONER

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, and a Further Amended and Restated Receivership Order dated April 19, 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 "Debtor").

B. Pursuant to an Order of the Court dated July 8, 2024 (the "Approval and Vesting Order"), the Court approved the Contract of Purchase and Sale dated _____, and addenda (collectively, the "Sale Agreement") between the Receiver and _____ (the "Purchaser"), for the sum of \$_____, and provided for the vesting in the Purchaser of all of the right, title and interest in and to the **Purchased Assets** which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Section 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

~~THE RECEIVER CERTIFIES the following:~~

- ~~12. The Purchasers have paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;~~
- ~~13. The conditions to Closing set out in Section 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and~~
- ~~14. The Transaction has been completed to the satisfaction of the Receiver.~~

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

~~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: _____~~

[Note: Specifically list legal titles if Real Property]

Schedule C — Purchased Assets

~~THE CORPORATION OF THE TOWNSHIP OF LANGLEY~~

~~PARCEL IDENTIFIER: 030-943-973~~

~~LOT A SECTION 14 TOWNSHIP 8 NEW WESTMINSTER DISTRICT PLAN EPP82621~~

Schedule DB – Claims to be deleted/expunged from title to Real Property

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.	CB24481
Claim of Builders Lien Steelcrest Construction Inc.	HB2194
Certificate of Pending Litigation MCAP Financial Corporation	CB1008226

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 EC – Permitted Encumbrances, Easements and Restrictive Covenants
related to Real Property

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

2. ~~The following legal notations:~~

(a) ~~HERE TO 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:~~

2. ~~<*>~~

BRITISH COLUMBIA MODEL APPROVAL AND VESTING ORDER
EXPLANATORY NOTES

B.C. Model Insolvency Order Committee
Vancouver, British Columbia

These Notes are to be read together with the new Model Approval and Vesting Order developed by the B.C. Model Insolvency Order Committee (as described below).

[1] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. In the past, the Land Title Office has been unwilling to vest off interests without proof that certain parties have been served. Accordingly, it is recommended that the Order itself reflect service on all parties whose interests are to be removed from title.

[2] If the Purchased Assets include real property, counsel will need to describe the Purchaser in accordance with how it wishes to be described on title - including Purchaser's full name, Incorporation details if applicable, address, joint tenancy, etc.

[3] Section 247 of the *Bankruptcy and Insolvency Act*, section 68(2) of the *British Columbia Personal Property Security Act* and the relevant case authorities provide that the Receiver has a duty to ensure that any sale of assets is commercially reasonable. Accordingly, it has become the practice of Receivers and their counsel to seek a declaration of the Court that a particular asset sale is commercially reasonable. The Receiver and its counsel should ensure that there is sufficient evidence to enable the Court to make a finding that the transaction to be approved is commercially reasonable, including without limitation evidence as to marketing and any appraisals.

[4] In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

[5] To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a schedule. Some judges prefer to have the Sale Agreement itself appended as a schedule to the Order.

[6] The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the

claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the BCMIOC's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

[7] The Order is not intended to relieve the Debtor, the Receiver or any Purchaser of any applicable statutory or regulatory requirements arising on the transfer of the Purchased Assets (for example, complying with *Forest Act* requirements in respect of the transfer of a license such as a Forest License).

[8] This provision is required if the Purchased Assets include real property. In addition, in some cases, it is appropriate to provide that the Petitioner or Plaintiff provide a release of its Certificate of Pending Litigation.

[9] The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds". In some cases, it may be appropriate to direct the Receiver to pay certain claims, such as, for example, to secured creditors where there is no issue as to priority.

[10] This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

[11] The Receiver and Purchaser should take care to act under this provision with respect to the Purchased Assets only.

Nature of Charge	Registration Action No. _____
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Statutory Right of Way The Corporation of the Township of Langley IN THE SUPREME COURT OF BRITISH COLUMBIA	AB166579
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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 BETWEEN:

CA8650541

[PLAINTIFF(S)/PETITIONER(S)]

Plaintiff(s)/Petitioner(s)

- and -

[DEFENDANT(S)/RESPONDENT(S)]

Defendant(s)/Respondent(s)

AND:

Action No.

Estate No.

IN THE SUPREME COURT OF BRITISH
COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP
OF
[THE DEBTOR(S)]

Statutory Right of Way
Telus Communications Inc. B.C.
MODEL APPROVAL AND VESTING
ORDER

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

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

ORDER MADE AFTER APPLICATION



Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2
Phone: 604-685-3456

Attention: William Roberts
wroberts@lawsonlundell.com

SCHEDULE “D”

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

ORDER MADE AFTER APPLICATION

BEFORE) MONDAY, THE 8TH DAY
) OF JULY, 2024

ON THE APPLICATION of MNP Ltd., in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, over the Respondents, QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD (Willoughby) GP Inc. (collectively, the “**Debtor**”), coming on for hearing on July 8, 2024, at Vancouver, British Columbia.

AND ON READING the material filed, including the order granted herein on November 8, 2023, as amended on December 15, 2023 and on April 19, 2024 (collectively, the “**Receivership Order**”), and the Receiver’s First Report to the Court filed December 6, 2023 (the “**First Report**”), the Receiver’s Second Report, filed April 8, 2024 (the “**Second Report**”), and the

Receiver's Third Report (the "**Third Report**"); AND ON HEARING William L. Roberts, Counsel for the Receiver, and other counsel as listed on Schedule "A" hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

1. The activities of the Receiver to date, as set out in the Third Report, be and are hereby approved by the Court.
2. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is dispensed with.

THE FOLLOWING PARTIES CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of lawyer for Applicant
Lawson Lundell LLP (William L. Roberts)

BY THE COURT

REGISTRAR

SCHEDULE "A"
LIST OF COUNSEL

Counsel/Person Appearing	Party Represented
William L. Roberts	The Receiver, MNP Ltd.

SCHEDULE "E"

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

ORDER MADE AFTER APPLICATION

(SECOND FURTHER AMENDED AND RESTATED RECEIVERSHIP ORDER)

BEFORE) MONDAY, THE 8TH DAY
) OF JULY, 2024

ON THE APPLICATION of MNP Ltd., in its capacity as Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security, over the Respondents, QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD (Willoughby) GP Inc. (collectively, the "**Debtor**"), coming on for hearing on April 19, 2024, at Vancouver, British Columbia.

AND ON READING the material filed, including the order granted herein on November 8, 2023 as amended on December 15, 2023 and April 19, 2024 (collectively, the "**Receivership Order**"), and the Receiver's First Report to the Court filed December 6, 2023, the Receiver's Second Report filed on April 4, 2024, and the Receiver's Third Report; AND ON HEARING William L. Roberts, Counsel for the Receiver, and other counsel as listed on Schedule "A" hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

1. This Further Amended and Restated Receivership Order amends and restates the Amended and Restated Receivership Order granted in these proceedings on December 15, 2023.

APPOINTMENT

2. 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

3. 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 \$250,000; 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; and
 - (s) 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

4. 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.
5. 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.
6. 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.
7. 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

8. 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

9. 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

10. 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

11. 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

12. All Persons having oral or written agreements with the Debtor 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

13. 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.

EMPLOYEES

14. 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

15. 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

16. 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.
17. 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.
18. 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.
19. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 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

20. 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

21. 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.
22. 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.
23. 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

24. The Receiver is authorized and empowered to borrow by way of a non-revolving credit facility, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,589,000 (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.

The advance of a \$356,000 portion of the above-noted amount, being amounts budgeted for construction costs of Building One and Building Two (as defined in the Receiver's First Report dated December 12, 2023) shall only be authorized with the concurrent written approval of MCAP Financial Corporation and Canadian Mortgage Servicing Corporation.

25. 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.
26. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

27. 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

28. 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

29. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://mnpdebt.ca/en/corporate/corporate-engagements/qrd-willoughby> (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.

30. 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 Applicant a demand for notice in the form attached as Schedule "C" (the "**Demand for Notice**"). The Receiver and the Applicant 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 Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

31. 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.

32. 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.

33. Notwithstanding paragraph 31 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.

34. 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

35. 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.
36. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
37. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
38. 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.
39. 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.
40. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

41. Endorsement of this Order by counsel appearing on this application, other than counsel for the Applicant, is 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 lawyer for Applicant
Lawson Lundell LLP (William L. Roberts)

BY THE COURT

REGISTRAR

SCHEDULE "A"
LIST OF COUNSEL

Counsel/Person Appearing	Party Represented
William L. Roberts	The Receiver, MNP Ltd.

SCHEDULE "B"

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 QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD (Willoughby) GP Inc. (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "Court") dated the _____ day of November, 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.

42. 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.

43. 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.

44. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.

45. 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.

46. 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.

47. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 202__.

MNP Ltd. solely in its capacity as Receiver of the
Property, and not in its personal capacity

Per:

Name:

Title:

Schedule "C"

Demand for Notice

TO: MCAP Financial Corporation
c/o DLA Piper (Canada) LLP
Attention: Colin D. Brousson
Email: colin.brousson@dlapiper.com

AND TO: MNP Ltd.
Attention: Mario Mainella
Email: mario.mainella@mnp.ca

Re: In the matter of the Receivership of QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD (Willoughby) GP Inc.

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: _____

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

ORDER MADE AFTER APPLICATION



Suite 1600 Cathedral Place
925 West Georgia Street,
Vancouver BC V6C 3L2
A. Phone: 604-685-3456

Attention: William Roberts
wroberts@lawsonlundell.com

SCHEDULE "F"

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

ORDER MADE AFTER APPLICATION

(SECOND FURTHER AMENDED AND RESTATED RECEIVERSHIP ORDER)

BEFORE) ~~FRIDAY~~ MONDAY, THE ~~19th~~ 8TH DAY
) OF ~~APRIL~~ JULY, 2024

ON THE APPLICATION of MNP Ltd., in its capacity as Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security, over the Respondents, QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD (Willoughby) GP Inc. (collectively, the "**Debtor**"), coming on for hearing on April 19, 2024, at Vancouver, British Columbia.

AND ON READING the material filed, including the order granted herein on November 8, 2023 as amended on December 15, 2023, ~~and April 19, 2024~~ (collectively, the "**Receivership Order**"), and the Receiver's First Report to the Court filed December 6, 2023, ~~and the Receiver's Second Report filed on April 4, 2024, and the Receiver's Third Report;~~ AND ON HEARING ~~Kimia Jalil~~ and William L. Roberts, Counsel for the Receiver, and other counsel as listed on Schedule "A" hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

1. This Second Further Amended and Restated Receivership Order amends and restates the Amended and Restated Receivership Order granted in these proceedings on December 15, 2023.

APPOINTMENT

2. 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

3. 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 \$250,000; 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; and
 - (s) 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

4. 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.
5. 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.
6. 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.
7. 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

8. 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

9. 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

10. 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

11. 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

12. All Persons having oral or written agreements with the Debtor 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

13. 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.

EMPLOYEES

14. 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

15. 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

16. 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.
17. 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.
18. 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.
19. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 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

20. 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

21. 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.
22. 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.
23. 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

24. The Receiver is authorized and empowered to borrow by way of a non-revolving credit facility, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,384,589,000 (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.

The advance of a \$356,000 portion of the above-noted amount, being amounts budgeted for construction costs of Building One and Building Two (as defined in the Receiver's First Report dated December 12, 2023) shall only be authorized with the concurrent written approval of MCAP Financial Corporation and Canadian Mortgage Servicing Corporation.

25. 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.
26. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

27. 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

28. 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

29. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://mnpdebt.ca/en/corporate/corporate-engagements/qrd-willoughby> (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.
30. 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 Applicant a demand for notice in the form attached as Schedule "C" (the "**Demand for Notice**"). The Receiver and the Applicant 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 Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.
31. 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.
32. 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.
33. Notwithstanding paragraph 31 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.

34. 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

35. 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.
36. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
37. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
38. 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.
39. 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.
40. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

41. Endorsement of this Order by counsel appearing on this application, other than counsel for the Applicant, is 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 lawyer for Applicant
Lawson Lundell LLP (~~Kimia Jalilvand~~) William L. Roberts

BY THE COURT

REGISTRAR

SCHEDULE "A"
LIST OF COUNSEL

Counsel/Person Appearing	Party Represented
Kimia Jalilvand <u>William L. Roberts</u>	The Receiver, MNP Ltd.
Alexandra McCawley	The Petitioner

SCHEDULE "B"

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 QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD (Willoughby) GP Inc. (collectively, the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the ____ day of November, 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.

42. 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.

43. 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.

44. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.

45. 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.

46. 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.

47. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 202__.

MNP Ltd. solely in its capacity as Receiver of the
Property, and not in its personal capacity

Per:

Name:

Title:

Schedule "C"

Demand for Notice

TO: MCAP Financial Corporation
c/o DLA Piper (Canada) LLP
Attention: Colin D. Brousson
Email: colin.brousson@dlapiper.com

AND TO: MNP Ltd.
Attention: Mario Mainella
Email: mario.mainella@mnp.ca

Re: In the matter of the Receivership of QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD (Willoughby) GP Inc.

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: _____

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

ORDER MADE AFTER APPLICATION



Suite 1600 Cathedral Place
925 West Georgia Street,
Vancouver BC V6C 3L2
A. Phone: 604-685-3456

Attention: William Roberts
wroberts@lawsonlundell.com

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