

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) TUESDAY, THE 9TH DAY
MR. JUSTICE WALKER) 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 9th 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 June 21, 2024 (the “Report”) and the Supplemental Report to the Receiver’s Third Report dated July 6, 2024 (the “Supplement to the Third Report”);

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the “Transaction”) contemplated by the Offer to Purchase and Contract of Purchase and Sale Agreement dated May 30, 2024, a copy of which is

attached as Appendix "B" to the Report, and the Amendment to Offer to Purchase and Contract of Purchase and Sale Agreement dated July 5, 2024 (collectively, the "**Sale Agreement**"), between the Receiver and Redekop Ferrario Properties (DD) Corp. (the "**Purchaser**"), 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

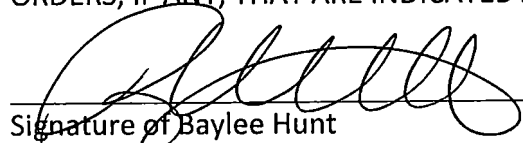
the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (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. 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".
 7. 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.
 8. 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.


- 9. 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.
- 10. With the consent of the Purchaser, the Receiver is at liberty to subsequently seek approval of an amended Agreement of Purchase and Sale between the Purchaser and the Receiver that is structured as a share sale and subject to, and to be implemented by, a reverse vesting order. For clarity, and notwithstanding this provision, the Transaction hereby approved remains binding on the Purchaser and the Receiver unless or until it is replaced by a binding amended Agreement of Purchase and Sale between the Purchaser and the Receiver that has been approved by this Court.
- 11. Subject to paragraph 10.9 of the Sale Agreement, the Purchaser is at liberty to apply for an order amending this Approval and Vesting Order to substitute a nominee entity to be registered as legal owner of the Lands.
- 12. 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.
- 13. 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 Baylee Hunt
 Party Lawyer for the Receiver, MNP Ltd.

BY THE COURT



 REGISTRAR



Schedule A – List of Parties Appearing

| Counsel/Person Appearing | Party Represented |
|---------------------------------|---|
| William L. Roberts/Baylee Hunt | The Receiver, MNP Ltd. |
| Colin Brousson | The Petitioner, MCAP Financial Corporation |
| Shawn A. Poisson | Canadian Mortgage Servicing Corporation |
| Dan Moseley | QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, QRD (Willoughby) GP Inc., Quarry Rock Developments Inc., Richard Lawson and Matthew Weber |
| Thomas Hanson | Overland Capital Canada Inc. |
| Aidan Brown | 1181970 B.C. Ltd. (formerly Steelcrest Construction Inc.) |
| Jonathan B. Ross | Redekop Ferrario Properties (DD) Corp. |
| Matthew Desmarais | Wubs Investments ltd. |

Schedule B – Receiver’s Certificate

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PETITIONER

AND:

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(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 9, 2024 (the “**Approval and Vesting Order**”), the Court approved the Contract of Purchase and Sale dated May 30, 2024, and the Amendment to Offer to Purchase and Contract of purchase and Sale Agreement dated July 5, 2024, and addenda (collectively, the “**Sale Agreement**”) between the Receiver and Redekop Ferrario Properties (DD) Corp.. (the “**Purchaser**”), for the sum of \$35,310,000, 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:

14. 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;
15. 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
16. 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. | CB924481 |
| 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

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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



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

Attention: William Roberts
wroberts@lawsonlundell.com