



No. S-237489  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE RECEIVERSHIP OF  
QRD (WILLOUGHBY) HOLDINGS INC., QRD (WILLOUGHBY) LIMITED PARTNERSHIP,  
AND QRD (WILLOUGHBY) GP INC.**

**PURSUANT TO SECTION 234(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c.B-3, AS AMENDED  
AND SECTION 39 OF THE LAW AND EQUITY ACT, R.S.B.C. 1996 c.253 AS AMENDED**

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**Receiver's Fourth Report to Court**

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**August 12, 2024**

**IN THE MATTER OF THE RECEIVERSHIP OF  
QRD (WILLOUGHBY) HOLDINGS INC., QRD (WILLOUGHBY) LIMITED PARTNERSHIP,  
AND QRD (WILLOUGHBY) GP INC.**

**Receiver's Fourth Report to Court**

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## I. INTRODUCTION AND PURPOSE

### Background

1. On November 8, 2023, MNP Ltd. was appointed Receiver (the “**Receiver**”) of QRD (Willoughby) Holdings Inc., QRD (Willoughby) GP Inc., and QRD (Willoughby) Limited Partnership (collectively, “**QRD (Willoughby)**” and/or the “**Companies**”) pursuant to an Order of the Supreme Court of British Columbia.
2. QRD (Willoughby) is part of Quarry Rock Developments, a private real estate developer based in Burnaby, B.C.
3. QRD (Willoughby) was constructing a three phase 87-unit townhome project named “The Willoughby” located in Langley, B.C. (the “**Project**”).
4. The Companies were unable to secure financing to complete construction of the Project due to delays with development approval, increased construction costs, and increased interest costs according to management. Active construction on the project ceased in approximately August 2023.
5. The Project consists of three phases:
  - i. Phase 1 – 34 units (“**Phase 1**”);
  - ii. Phase 2 – 23 units (“**Phase 2**”); and,
  - iii. Phase 3 – 30 units (“**Phase 3**”).
6. Phase 1 was under construction and consists of seven separate buildings (four to six units per building) with a combined 34 units. Construction of Phase 1 stalled in August of 2023. Construction of the Phase 2 and 3 units has not commenced.
7. Each of the seven buildings in Phase 1 were at various stages of completion ranging from Building One estimated at 95% complete to Building Five and Building Seven estimated at 20% complete. Buildings Four to Seven were at framing stage and exposed to weather with no exterior cladding, windows and roofing when construction ceased.

8. The Project was financed by MCAP Financial Corporation, (“**MCAP**”), the first mortgagee owed approximately \$29.6 million at the time of the receivership, and Canadian Mortgage Servicing Corporation (“**CMSC**”), the second mortgagee owed approximately \$7.55 million at the time of the receivership.
9. In or about September 2023, Overland Capital Corporation and Wubs Investments Ltd. also registered mortgages on the Project for approximately \$10.5 million and \$4.5 million, respectively. The Receiver has not reviewed those mortgages or the underlying loan transactions. Those mortgages are both subordinate to the interests of MCAP and CMSC.
10. In addition, Steelcrest Construction Inc. (“**Steelcrest**”), the general contractor on the Project, filed a builder’s lien for \$2.82 million on October 3, 2023. Steelcrest is disputing the validity and enforceability of the Overland Capital Corporation and Wubs Investments Ltd. mortgages.
11. MCAP made an application to appoint the Receiver due to concerns with construction having ceased, security, and winterization with the Receiver appointed on November 8, 2023.
12. On December 15, 2023, on application by the Receiver, the Court granted an Order (the “**Amended and Restated Receivership Order**”) increasing the Receiver’s borrowings from \$750,000 to \$2,209,000 to fund the winterization of the Phase 1 units and complete construction of Building One and Building Two, with consent of MCAP and CMSC.
13. The Receiver engaged Steelcrest to perform the agreed upon winterization scope and complete the construction of Building One and Building Two. The winterization scope was substantially completed in January 2024 and completion of Building One and Two on March 27, 2024, respectively.
14. On April 19, 2024, on application by the Receiver, the Court granted an Order (the “**Marketing Order**”) authorizing the Receiver to list and market the Project for sale without further Court approval. The Marketing Order also approved an increase in Receiver’s Borrowings from \$2,209,000 to \$2,384,000 to fund ongoing monthly site

costs and professional fees for the listing and marketing period (the “**Marketing Period**”).

15. The Receiver engaged Colliers Macaulay Nicolls Inc. (“**Colliers**”) to list the project for sale on an “as is, where is basis”, commencing on April 24, 2024.
16. The Marketing Period resulted in Redekop Ferrario Properties (DD) Corp. (“**Redekop**”) submitting an unconditional offer for \$34 million (as amended as described below, the “**Redekop Offer**”). No other offers were submitted during the Marketing Period.
17. The Receiver held discussions with both MCAP and CMSC and made a counteroffer to Redekop for \$35 million. Redekop and the Receiver agreed to a sale for \$35 million, subject to Court approval. MCAP and CMSC both supported the Redekop Offer (as amended).
18. On July 9, 2024, on application by the Receiver, the application to approve the Redekop Offer was heard (the “**Approval Hearing**”). Two competing offers from new prospective purchasers were submitted (the “**Competing Bids**”) and Redekop submitted a revised bid, increasing the purchase price under the Redekop Offer to \$35.31 million.
19. At the Approval Hearing, the Receiver, MCAP, and CMSC sought approval of the Redekop Offer (as amended). One of the competing bidders, represented by its realtor, sought approval of its own bid. The Debtors, Overland Capital Corporation, and Wubs Investments Ltd. opposed the approval of any sale.
20. The Debtors sought additional time to pursue an alternative transaction under negotiation by the principals of the Companies, for a sale of the Project to a non-profit, the Foundation Residence Society (“**FRS**”), subject to funding by BC Builds and Court approval (the “**BC Builds Proposal**”).

21. The Court granted an Order (the “**Sales Order**”) approving the Redekop Offer (as amended), for a purchase price of \$35.31 million. The Sales Order also:
  - i. approved an increase in Receiver’s Borrowings from \$2,384,000 to \$2,589,000 to fund estimated ongoing monthly site costs and professional fees until the sale closes; and
  - ii. granted the Receiver leave to apply (the “**Conversion Application**”) to convert the structure of the Redekop Offer from an asset sale to a share sale, and to convert the Sales Order (an approval and vesting order) to a reverse vesting order (“**RVO**”).
22. Pending Court approval of the Conversion Application, the Redekop Offer remains binding, in accordance with the Sales Order.
23. On July 18, 2024, the Companies filed a Notice of Appeal of the Sales Order (the “**Appeal**”). The Appeal triggered a stay of proceedings under s. 195 of the *Bankruptcy and Insolvency Act* (the “**Stay**”).
24. On July 30, 2024, the Court of Appeal granted an Order (the “**Expedited Appeal Order**”) setting an expedited timeline, providing for a hearing of the Appeal on August 14, 2024. In addition, the Expedited Appeal Order lifted the Stay, to allow the Receiver to proceed with the Conversion Application, pending the result of the Appeal.
25. At the time of this report the Appeal has not been heard. However, if the Appeal is dismissed, the Receiver intends to proceed with the Conversion Application and closing of the Redekop Offer (as converted to an RVO/share sale structure). As such, and in light of the Stay being lifted, the Receiver intends to take all necessary steps to advance the Conversion Application and the Redekop Offer in the interim.
26. This is the Receiver’s Fourth Report and should be read in conjunction with its First Report, Second Report, Third Report and Supplemental Report to Receiver’s Third Report dated December 6, 2023, April 4, 2024, June 21, 2024, and July 6, 2024, respectively.

## **Purpose of Report**

27. This purpose of this report is to:
- i. Provide the Court with a summary of the Receiver's activities since its Supplementary report to the Receiver's Third Report dated July 6, 2024;
  - ii. Request the Court's approval to convert the terms of the Redekop Offer from an asset sale to a share sale and transfer of beneficial interest by way of RVO; and
  - iii. Request an increase in Receiver's Borrowings of \$200,000 from \$2,589,000 to \$2,789,000 to fund professional fees and costs associated with the Conversion Application, underlying transaction and the Appeal.
28. Unless otherwise stated capitalized terms in the Report have the same meaning given to them in the Receiver's prior reports.

## **II. UPDATE ON RECEIVER'S ACTIVITIES**

29. The Receiver performed the following work since its Third Report:
- i. Continued to oversee the protection and preservation of the Project including dealing with security, utilities, insurance, maintenance issues and requirements from the Township of Langley;
  - ii. Continued to hold discussions with Colliers regarding status of sales and marketing, competing offers and purchaser and details closing prior and up to the approval of the Redekop Offer;
  - iii. Held discussions with Redekop and their legal counsel regarding the change in offer structure from an asset sale to a share sale/RVO structure, closing and remediation of mould and other transition issues;
  - iv. Held numerous discussions with Receiver's legal counsel, MCAP, CMSC and their respective legal counsel regarding a change in offer structure; and
  - v. Held numerous discussions with Receiver's legal counsel regarding status of Appeal and its implications for closing timeline, mould remediation and other potential issues with a delay and potential extended timeline for closing.

### III. REVERSE VESTING ORDER

30. The Redekop Offer was originally structured as an asset sale and the Sales Order approved the sale of the Project to Redekop by way of a conventional approval and vesting order. Discussions about changing the structure of the Redekop Offer, if approved by the Court, commenced as between the Receiver, MCAP, CMSC, and Redekop before the Approval Hearing. However, due to time constraints, materials to convert the Redekop Offer to an RVO could not be prepared in time for the Approval Hearing.
31. The Receiver has negotiated with Redekop a new Offer to Purchase and Contract of Purchase and Sale Agreement, on the same commercial terms as the Redekop Offer, but for an increased purchase price, and structured as a share sale rather than an asset sale (the “**Redekop RVO Offer**”). The Redekop RVO Offer contemplates that the transaction will be implemented by an RVO, in place of the Sales Order.
32. The Redekop RVO Offer is only effective and binding on the parties, and will only replace the Redekop Offer, if and when it is approved by court order.
33. The Receiver understands that CMSC, who is projected to suffer an estimated \$7 million shortfall on its secured debt, supports converting the Redekop Offer to a share sale/RVO structure, and has agreed with Redekop on terms to split any potential financial benefit of such conversion (as discussed further below).
34. A copy of the Redekop RVO Offer is attached as **Appendix A**.

#### **Benefits of a Reverse Vesting Order Transaction**

35. The Receiver understands that the primary benefit of the Redekop RVO Offer, as compared to the Redekop Offer, is that it will not trigger payment of Property Transfer Tax (“**PTT**”). The estimated amount of PTT payable for the transaction under the Redekop Offer is approximately \$1.68 million.



36. Because of the PTT savings, Redekop is prepared to increase its purchase price under the Redekop RVO Offer by \$842,000. The additional sale proceeds (net of increased costs and fees) will be paid to CMSC, materially increasing its recovery. The Receiver sees this as an important benefit in the circumstances, as it will significantly mitigate the shortfall to be suffered by CMSC (a bona fide, secured creditor).
37. In addition to the financial benefit to CMSC, the RVO structure will allow Redekop to retain specific assets held by the Companies in connection with the Project which include:
- i. Development permit;
  - ii. Agreements with the Township. The Project currently has a number of agreements with the Township of Langley associated with the development permit such as the Servicing Agreement and Erosion and Sediment Control Agreement;
  - iii. Letters of Credit. The Project currently has three letters of credit with the Township of Langley; and
  - iv. Building permits. The Project has 18 distinct building permits, one for each building in the Project. The building permits for Building One and Building Two have been completed by the Receiver, but approved BPs remain.
- (the “**Intangible Assets**”).
38. Redekop has confirmed that it wants to acquire all of the Intangible Assets. An RVO will allow Redekop to acquire the Intangible Assets without incurring additional costs and delay in requesting those to be assigned and/or re-issued in their favour which may benefit the purchaser in completing the Project.
39. In addition, an RVO may allow the purchaser to retain certain tax loss attributes which would be unavailable in an asset sale. The assessment of tax loss attributes and the purchaser’s ability to use any attributes has not been assessed by the Receiver, but their potential use remains an additional benefit to be considered.

40. The Receiver does not know of any creditor or other person who would be prejudiced by approval of the Redekop RVO Offer, in place of the Redekop Offer.

#### **Costs of a Reverse Vesting Order**

41. The Redekop RVO Offer contemplates a more complicated transaction structure than the Redekop Offer and will therefore result in increased costs.
42. The Receiver estimates additional professional fees in connection with the Redekop RVO Offer of approximately \$75,000 to \$100,000, including in respect of:
- i. The creation a new corporate entity (“**ResidualCo**”) to hold unwanted assets and liabilities of the Companies;
  - ii. The costs associated with administering the bankruptcy of ResidualCo; and
  - iii. The Conversion Application.

#### **Conclusion**

43. If approved, the Redekop RVO Offer will result in an estimated increased recovery to creditors (specifically, CMSC) of approximately \$841,750, less estimated additional costs of \$75,000 to \$100,000. In this regard, the potential benefit to creditors of the Redekop RVO Offer significantly outweigh the costs.
44. An RVO provides further benefits to a purchaser to select and retain the Intangible Assets and certain attributes of the Companies, which may benefit Redekop in completing the Project, and preserve potential tax loss attributes.
45. In consultation with its legal counsel, the Receiver understands that the recent decision of the British Columbia Court of Appeal in *British Columbia v Peakhill Capital Inc.*, 2024 BCCA 368 supports the use of an RVO structure in circumstances like these, where PTT savings will generate increased creditor recoveries, and the share sale structure will not prejudice any other stakeholder.

46. Accordingly, the Receiver brings the Conversion Application and requests that that the Court approve the Redekop RVO Offer.

#### IV. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

47. A copy of the Receiver's Interim Statement of Receipts and Disbursements for the period November 8, 2023, to July 31, 2024, is attached as **Appendix B** and is summarized below:

	\$
<b>Receipts</b>	
Advances from Secured Creditor	2,384,000
BC Hydro and Miscellaneous refunds	130,903
GST Refunds	97,799
Cash in Bank	32,200
	<u>2,644,903</u>
<b>Disbursements</b>	
Contractor costs	1,584,163
Receiver's fees and disbursements	257,624
Insurance	206,501
Monthly site costs	156,989
GST paid	108,485
Legal fees, PST and disbursements	99,091
Consultant fees	76,089
Advertising and other misc.	6,966
	<u>2,495,908</u>
<b>Excess Receipts over Disbursements</b>	<u>148,995</u>

48. The Receiver holds \$148,995 in its account as at July 31, 2024, but the amount does not include available Receiver's Borrowings of \$205,000 that have not been drawn to date or estimated accruals for unpaid professional fees up to July 31, 2024.

## V. RECEIVER'S BORROWINGS

49. The Receiver requested additional Receiver's Borrowings of \$205,000 in its Third Report to Court dated June 21, 2024, required for estimated monthly holding costs and professional fees for the period required to close the Redekop Offer estimated to be in early September 2024.
50. The Receiver's request did not include additional costs associated with the Conversion Application and costs associated with defending the Appeal.
51. The Receiver estimates that the following additional costs will be incurred in the administration due to the Conversion Application and Appeal:
- i. Professional fees to defend the Appeal - \$100,000
  - ii. Professional fees for the Conversion Application of \$100,000 including:
    - Professional fees for the Conversion Application and underlying transaction - \$50,000
    - Provision for bankruptcy of ResidualCo. - \$25,000
    - Contingency - \$25,000.
52. The Receiver estimates it will incur additional professional fees of \$200,000 for the Conversion Application and to defend the Appeal and requests additional Receiver's Borrowings of \$200,000 to fund these costs.

**VI. RECOMMENDATIONS**

53. Based upon the foregoing, the Receiver respectfully requests that the Court:
- i. approve the Redekop RVO Offer in place of the Redekop Offer and grant an RVO to give effect to the underlying transaction; and
  - ii. grant an increase in Receiver's Borrowings of \$200,000 from \$2,589,000 to \$2,789,000.

All of which is respectfully submitted to this Honourable Court this 12th day of August 2024.

**MNP Ltd.**

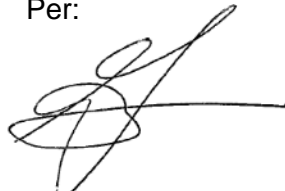
In its capacity as Receiver and Manager of QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership and QRD (Willoughby) GP Inc.

Per:



Mario Mainella, CPA, CA, CIRP

Per:



Gordon Brown, CPA, CA, CIRP

# **APPENDIX A**

Redekop RVO Offer

# OFFER TO PURCHASE AND CONTRACT OF PURCHASE AND SALE AGREEMENT

20335 70A Avenue, Langley, BC

**THIS AGREEMENT** dated for reference the 12th day of August, 2024 is made

**BETWEEN:**

**RFP (WILLOUGHBY) LIMITED PARTNERSHIP**, a limited partnership at  
110-33827 South Fraser Way, Abbotsford, BC V2S 2C4

(the “**Purchaser**”)

OF THE FIRST PART

**AND:**

**MNP LTD.**, solely in its capacity as court-appointed receiver of QRD  
(Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD  
(Willoughby) GP Inc., and not in its personal capacity

(the “**Vendor**”)

OF THE SECOND PART

**WHEREAS:**

- A. By order dated November 8, 2023, as amended December 15, 2023, and April 19, 2024 (collectively, the “**Receivership Order**”) of the Supreme Court of British Columbia (the “**Court**”) made in Supreme Court of British Columbia Action No. S-237489, Vancouver Registry (the “**Proceedings**”), the Vendor was appointed receiver of all the assets, undertakings, and property of, inter alia, QRD (Willoughby) Holdings Inc., QRD (Willoughby) Limited Partnership, and QRD (Willoughby) GP Inc., which assets include the Property;
- B. Pursuant to an Offer to Purchase and Agreement of Purchase and Sale dated for reference the 30<sup>th</sup> day of May, 2024, between Redekop Ferrario Properties (DD) Corp. (the “**Original Purchaser**”), as purchaser and the Vendor, as vendor, as amended by an Amendment to Offer to Purchase and Contract of Purchase and Sale Agreement dated July 5, 2024 and further amended by an Amendment to Offer to Purchase and Contract of Purchase and Sale Agreement August 12, 2024 and as assigned by an Assignment of Offer to Purchase and Agreement of Purchase and Sale dated August 12, 2024 between the Original Purchaser, as assignor and the Purchaser, as assignee, the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property (but not the Shares) for a total purchase price of \$35,310,000 (the “**Initial Offer**”);
- C. The Purchaser and the Vendor have to enter into this Agreement whereby the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property (as defined below) on the terms and conditions set forth in this Offer to Purchase.

WITNESS as follows:

1. **INTERPRETATION**

1.1. **Definitions**

In this Offer to Purchase:

- 1.1.1. “**Buildings**” means the buildings and other improvements on the Lands including, without limitation, mechanical and electrical systems;
- 1.1.2. “**Business Day**” means any day that is not a Saturday, Sunday or statutory holiday in British Columbia;
- 1.1.3. “**Claims**” means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgements, costs, expenses, fines, disbursements, legal fees (on a substantial indemnity basis) and other professional fees and disbursements, interest, demands and actions of any kind or any nature whatsoever;
- 1.1.4. “**Closing**” has the meaning set out at Section 9.1;
- 1.1.5. “**Closing Date**” means September 16, 2024;
- 1.1.6. “**Contaminants**” means, without limitation, asbestos, poly-chlorinated biphenyls and any substance or material which falls within the definition of “waste”, “special waste”, “hazardous chemicals”, “hazardous waste”, “dangerous goods”, “toxic substances”, any variation of such terms or any terms of similar import in the *Canadian Environmental Protection Act* (Canada), the *Environmental Management Act* (British Columbia), each as at the date hereof, or in any other applicable Environmental Laws;
- 1.1.7. “**Deposit**” has the meaning set out in Section 2.3;
- 1.1.8. “**Disclosure Statement**” means, collectively, the disclosure statement dated June 13, 2022, as amended February 17, 2023, and August 23, 2023, filed by QRD (Willoughby) Limited Partnership and QRD (Willoughby) Holdings Inc. in respect of the phased development known as “The Willoughby”;
- 1.1.9. “**Environmental Laws**” means any and all federal, provincial, municipal or other governmental or regulatory laws and rules in effect from time to time relating to the environment, occupational safety, health or transportation;
- 1.1.10. “**Execution Date**” means the date on which Vendor and the Purchaser have each executed and delivered this Offer to Purchase;
- 1.1.11. “**Final Reverse Vesting Order**” means the Reverse Vesting Order when it has satisfied the following conditions: (a) it is in full force and effect; (b) it has not been reversed, modified or vacated and is not subject to any stay; and (c) all applicable



appeal periods have expired, and any appeals therefrom have been finally disposed of, leaving the Reverse Vesting Order wholly operable.

- 1.1.12. “**GST**” means goods and services tax payable pursuant to the *Excise Tax Act* (Canada);
- 1.1.13. “**GST Certificate**” has the meaning set out in Section 10.5.2;
- 1.1.14. “**Lands**” means the lands and premises in Vancouver, British Columbia, legally described in Part 1 of Schedule “A” attached hereto;
- 1.1.15. “**Land Title Office**” means the Lower Mainland Land Title Office;
- 1.1.16. “**Mutual Condition**” has the meaning set out in Section 8.2;
- 1.1.17. “**Mutual Waiver Date**” means September 2, 2024;
- 1.1.18. “**Nominee**” means QRD (Willoughby) Holdings Inc.;
- 1.1.19. “**Permitted Encumbrances**” means:
- 1.1.19.1. the notations and encumbrances set forth in Part 2 of Schedule “B” attached hereto; and
  - 1.1.19.2. any other leases, agreements, liens, charges or encumbrances expressly permitted in writing by the Purchaser;
- 1.1.20. “**Plans and Warranties**” all plans, permits, licences or warranties relating to the Property;
- 1.1.21. “**Project Deposits**” means collectively, all deposits related to the development on the Lands;
- 1.1.22. “**Project Documents**” means:
- 1.1.22.1. copies of any environmental, building condition, or geotechnical reports or studies;
  - 1.1.22.2. copies of plans, specifications, and surveys for and relating to the Property, including mechanical, architectural, or electrical design drawings and building specifications all if in the Vendor’s possession;
  - 1.1.22.3. copies of any construction contracts relating to the Buildings;
  - 1.1.22.4. copies of the Disclosure Statement;
  - 1.1.22.5. evidence of the existing insurance relating to the Property;
  - 1.1.22.6. copies of any Plans and Warranties; and

- 1.1.22.7. copies of the most currently available property assessment and realty tax notices/statements, and utilities invoices for the Lands;
- 1.1.23. “**Property**” means the Lands, the Buildings, the Plans and Warranties, the Project Deposits and the Shares;
- 1.1.24. “**Purchase Price**” means Thirty Six Million One Hundred Fifty One Thousand Seven Hundred Fifty Dollars (\$36,151,750);
- 1.1.25. “**Purchaser’s Condition**” has the meaning set out in Section 8.1;
- 1.1.26. *Intentionally Deleted*;
- 1.1.27. “**Purchaser’s Solicitors**” means Gowling WLG (Canada) LLP;
- 1.1.28. “**Reverse Vesting Order**” means a reverse vesting order of the Court, substantially in the form attached hereto as Schedule “B” pursuant to which the Nominee continues to hold all of its right, title, and interest in the Lands and the Buildings, and all Claims and encumbrances against the Nominee, including all Claims and encumbrances against the Nominee’s interest in the Lands and the Buildings are vested in a new entity incorporated for that purpose.
- 1.1.29. “**Shares**” means all of the issued and outstanding shares in the capital of the Nominee;
- 1.1.30. “**Trust Declaration**” means the declaration of bare trust and agency agreement dated November 28, 2019 pursuant to which QRD (Willoughby) Holdings Inc. holds legal title to the Property for and on behalf of QRD (Willoughby) Limited Partnership; and
- 1.1.31. “**Vendor’s Solicitors**” means Lawson Lundell LLP.

## 1.2. **Currency**

All dollar amounts referred to are Canadian dollars.

## 1.3. **Construction**

The division and headings of this Offer to Purchase are for reference only and are not to affect construction or interpretation.

## 1.4. **Governing Law**

This Offer to Purchase shall be governed by the laws of British Columbia.

## 2. **PURCHASE AND SALE**

### 2.1. **Offer to Purchase**

Upon acceptance of this Offer to Purchase, the Purchaser agrees to purchase and the Vendor agrees to sell the Property on the Closing Date free and clear of all encumbrances other than Permitted Encumbrances for the Purchase Price and on the terms and conditions of this Offer to Purchase. Notwithstanding the foregoing, the Vendor may, in its sole discretion and on written notice to the Purchaser, extend the Closing Date by up to seven (7) days.

### 2.2. **Payment of Purchase Price**

The Purchase Price for the Property shall be paid by the Purchaser as follows:

2.2.1. by way of a deposit of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) (the “**Deposit**”) paid to the Vendor’s Solicitors, in trust, receipt of which the Vendor hereby confirms;

2.2.2. *Intentionally Deleted;*

2.2.3. the balance of the Purchase Price shall be paid to the Vendor’s Solicitors on the Closing Date by solicitor’s certified trust cheque, certified cheque, bank draft or wire and/or the Large Value Transfer System as required, drawn on one of the five largest Canadian chartered banks as provided in Article 9 of this Offer to Purchase.

### 2.3. **Deposit**

The Vendor’s Solicitors will hold the Deposit (or portion thereof) without liability for interest, provided it may, in its sole discretion, invest the Deposit (or portion thereof). The Vendor and the Purchaser agree that the Deposit and interest as may accrue thereon will be paid as follows:

2.3.1. to the Vendor on account of the Purchase Price contemporaneously with the completion of the sale and purchase contemplated by this Offer to Purchase;

2.3.2. to the Purchaser, if the Purchaser is not required to complete the purchase contemplated by this Offer to Purchase, on the date this Offer to Purchase becomes null and void (including under Section 8.3.3);

2.3.3. to the Vendor if the purchase and sale contemplated by this Offer to Purchase is not completed by reason of the Purchaser's default as liquidated damages to the Vendor, without prejudice to any other remedy the Vendor may have at law or equity; and

2.3.4. if there is any dispute as to the disposition of the Deposit or interest thereon or any portion of either:

2.3.4.1. the monies in dispute shall be disbursed only in accordance with a joint written direction of the Vendor and the Purchaser, failing

which such monies in dispute shall be held pending final judgment or order of a Court of competent jurisdiction, which judgment is not appealed in the time limited for appeal, and shall be paid in accordance with such judgment; or

2.3.4.2. the Vendor's Solicitors may deposit the funds with a Court of competent jurisdiction by way of interpleader,

and the parties irrevocably direct and authorize the Vendor's Solicitors in the above regard.

The Purchaser and the Vendor agree that the provisions of this Section 2.3 shall survive the lapse or termination of the obligations of the parties hereunder regarding the sale and purchase of the Property.

#### 2.4. **Allocation of Purchase Price**

2.4.1. The Vendor and the Purchaser hereby agree that for the purpose of this Offer to Purchase, the Purchase Price set out above shall be allocated among the Property as agreed upon between the parties prior to the Closing Date (the "**Allocated Purchase Price**"). The parties will use commercially reasonable efforts to agree upon an allocation of the Purchase Price among the Property prior to the Closing Date, provided that a failure to reach an agreement prior to the Closing Date will not be a condition to the Vendor's or the Purchaser's obligation to complete the purchase and sale contemplated by this Offer to Purchase or affect or impair any of the rights or obligations of the parties under this Offer to Purchase. If, despite the commercially reasonable efforts of the Vendor and the Purchaser, the parties fail to agree upon the allocation of the Purchase Price among the Property, then the Vendor and the Purchaser will be entitled to allocate the amount of the Purchase Price among the Property as each such party may so choose.

2.4.2. Provided that the parties agree upon an Allocated Purchase Price prior to the Closing Date, the Vendor and the Purchaser will each complete all tax returns, designations and elections in a manner consistent with the Allocated Purchase Price and otherwise follow such allocation for all tax purposes on and subsequent to the Closing and not take any position inconsistent with such allocation. If such allocation is disputed by any governmental authorities, the party receiving notice of such dispute will promptly notify the other party and the parties will use commercially reasonable efforts to sustain such allocation. The parties will share information and cooperate to the extent reasonably necessary to permit the transactions contemplated by this Offer to Purchase to be properly, timely and consistently reported.

2.5. **Termination of Contract.** This Offer to Purchase may be terminated at the Vendor's sole option if at any time prior to Court approval,

2.5.1. the Court varies or vacates the receivership order to remove or impede the Vendor's ability to market the Lands for sale; or

2.5.2. the Vendor determines, in its sole discretion, that it is inadvisable to present this Offer to Purchase to the Court for any reason whatsoever,

and in any such event the Vendor shall have no further obligations or liability to the Purchaser under this Offer to Purchase or otherwise (save and except for return of the Deposit as otherwise set out herein)..

### 3. **DOCUMENTS AND INSPECTION**

#### 3.1. **Project Documents**

The Vendor confirms that it has delivered or made available to the Purchaser copies of the Project Documents, to the extent the Project Documents are in the Vendor's possession. For additional clarity, the Vendor makes no representations or warranties as to the completeness or veracity of the Project Documents. If this Offer to Purchase becomes null and void (including under Section 8.3.1), the Purchaser shall thereupon return or destroy all Project Documents and all other material in its possession without retaining any copies thereof.

#### 3.2. **Inspection**

The Purchaser shall be entitled upon reasonable notice to the Vendor to enter the Property and carry out tests and inspections of the Property provided that a representative of the Vendor shall be provided the opportunity and shall be entitled to accompany the Purchaser during tests and inspection of the Property, and the Vendor shall have the right to approve invasive or intrusive inspections, tests and audits, if any are proposed by the Purchaser, prior to such inspections, tests and audits being undertaken. The Purchaser agrees to indemnify and hold the Vendor harmless from any physical damage to the Property or to the Vendor, its agents or employees, arising out of such entry.

### 4. **GENERAL COVENANTS**

#### 4.1. *Intentionally Deleted*

### 5. **ADJUSTMENTS AND RELATED MATTERS**

#### 5.1. **Adjustments**

There will be no adjustments, either incoming and outgoing, with respect to the Property, including taxes, utilities, rents, security deposits, operating expenses, fuel, licences and other items normally adjusted between a vendor and purchaser in the sale of similar properties.

### 6. **POSSESSION**

#### 6.1. **Possession Date**

The Purchaser shall, upon completion of the sale and purchase, and subject to the Permitted Encumbrances, have possession of the Property as of the Closing Date.

## 7. **REPRESENTATIONS AND WARRANTIES**

### 7.1. **Vendor's Representations and Warranties**

The Vendor hereby represents and warrants to the Purchaser, that the Vendor has, or will have after obtaining the court approval referred to in Section 8.2, all necessary authority to complete the transactions herein, including but not limited to the sale of the Property and Shares and to execute and deliver this Agreement and all other documents and instruments contemplated herein or therein to which it is or will be party and to perform its obligations hereunder and thereunder.

### 7.2. **As Is Where Is**

The Purchaser acknowledges, covenants and agrees that:

- 7.2.1. except as expressly set forth herein, it is purchasing the Property on a strictly “as is, where is” basis;
- 7.2.2. the Vendor is not the owner of the Property and is making no representations or warranties whatsoever with respect to the Property;
- 7.2.3. it enters into this Offer to Purchase relying solely on its own inspections, it has not relied on any documents or information provided by the Vendor or any representation or warranty given by or on behalf of the Vendor concerning the Property except as otherwise expressly set out herein and it is the obligation of the Purchaser to satisfy itself (at the Purchaser’s sole cost and expense) on all matters relating to or affecting the Property, including the following:
  - 7.2.3.1. the latent or patent defects, state of repair or condition of the Property, environmental, soils, surface and ground water, physical or otherwise, including the presence or absence of Contaminants on, in, under or about the Property or any surrounding or neighbouring property;
  - 7.2.3.2. the development potential or the fitness of the Property for the intended use of it by the Purchaser, and that certain marketing activities have been previously undertaken by a developer pursuant to the Disclosure Statement;
  - 7.2.3.3. the general condition and state of any improvements, equipment, utilities or other facilities or systems in, on, under or servicing the Property;
  - 7.2.3.4. the boundaries and dimensions of the Property;
  - 7.2.3.5. the access to and egress from, or past, present or future permitted uses or zoning of the Property and the bylaws of the municipality or any other governing authority which relate to any of the Property;

- 7.2.4. the Purchaser understands and agrees that the Vendor has no obligation to conduct any investigations, tests or studies or any due diligence review of any kind whatsoever with respect to the any matter relating to the Property;
- 7.2.5. the Purchaser agrees and acknowledges that the Vendor is providing the Project Documents for purposes of notice only and delivery of such materials does not constitute a warranty or representation of any kind as to the quality or condition (whether environmental or otherwise) of the Property or the suitability or fitness of the Property for any of the Purchaser's purposes or intended uses whatsoever. The Vendor makes no representation or warranty as to the accuracy or completeness of any reports or information prepared by any person other than the Vendor and provided to the Purchaser hereunder;
- 7.2.6. the Purchaser forever releases the Vendor and its directors, officers, shareholders, agents and employees from any and all Claims relating to any of the matters set out above in this Section 7.2 and the Purchaser further covenants and agrees that the Vendor and its directors, officers, shareholders, agents and employees shall have no liability or obligation with respect to any of the matters described in this Section 7.2 any and all of which shall, on the Closing Date, be accepted and assumed by the Purchaser;
- 7.2.7. upon completion of the Purchaser's acquisition of the Property, the Purchaser shall be deemed to have unconditionally and irrevocably waived and released the Vendor and its officers, directors, shareholders, agents, consultants and representatives from any Claims relating to the environmental condition of the Property or neighbouring properties including any Claims related to the presence of any contaminants on, under or within the Property or neighbouring Property or the non-compliance of the Property or neighbouring properties with any Environmental Laws;
- 7.2.8. if on the Closing Date the Vendor is in default in any material respect under any of the covenants and agreements to be observed or performed by the Vendor under this Offer to Purchase, the Purchaser may elect not to complete the purchase of the Property under this Offer to Purchase. Upon completion of the purchase and sale of the Property on the Closing Date as herein provided, each party shall be deemed to have waived, to the extent it has actual knowledge of, any non-compliance with any term, covenant or condition by, or any inaccurate representation and warranty of, any other party;
- 7.2.9. the Vendor will present this Offer to Purchase to the Court for approval once all conditions precedent, save for Court-approval, have been waived or declared fulfilled, and in so doing is not contractually or otherwise liable to the Buyer or any other party in any way;
- 7.2.10. the assets to be purchased under this Agreement does not include any personal property or chattels, and that any personal property or chattels remaining in the premises on the Property which are taken by the Buyer, are taken at their own risk

and expense, without representation or warranty of any kind from the Vendor as to the ownership or state of repair of any such personal property or chattels;

7.2.11. there will be no adjustments made to the purchase price on account of any tenancies assumed by the Buyer, including but not limited to adjustments for rents or security deposits;

7.2.12. the provisions of this Section 7.2 shall survive the Closing.

### 7.3. **Purchaser's Representations and Warranties**

The Purchaser hereby represents and warrants to the Vendor, regardless of any independent investigations that the Vendor may cause to be made, that as at the date of this Offer to Purchase:

7.3.1. the Purchaser has the power, authority and capacity to purchase the Property;

7.3.2. except for the Initial Offer which may be replaced with this Offer to Purchase if and only if the Reverse Vesting Order is granted, the execution and delivery of this Offer to Purchase does not conflict with any other agreement binding on the Purchaser and has been and the completion of this Offer to Purchase will have been by the Closing Date duly authorized by all necessary corporate action on the part of the Purchaser;

7.3.3. the Purchaser acknowledges and agrees that the Vendor is not the registered owner of the Lands and can make no representations as to the use of the Lands, its occupancy or vacancy, or the residency of the registered owner. To the extent any information or declaration is made by the Vendor in respect of such matters and to enable closing, they are made on information and belief and are not to be relied upon by the Purchaser; and

7.3.4. to protect their interests in purchasing the Lands, the Purchaser acknowledges and agrees that they should attend at the Court hearing in person or by agent.

## 8. **CONDITIONS PRECEDENT**

### 8.1. **Purchaser's Condition**

The Purchaser confirms that this Offer to Purchase is not subject to any conditions that are for the sole benefit of the Purchaser.

### 8.2. **Mutual Condition**

The parties obligation to complete the transactions contemplated by this Offer to Purchase is subject to the Court granting the Reverse Vesting Order and such Reverse Vesting Order thereafter satisfying all of the requirements within the definition of a Final Reverse Vesting Order (the "**Mutual Condition**"), which Mutual Condition must be fulfilled on or before 5.00 p.m. Vancouver time on the Mutual Waiver Date. This condition is for the benefit of each of the parties and may not be unilaterally waived by either party.



### 8.3. **Satisfaction and Waiver**

The parties agree that if:

8.3.1. *Intentionally Deleted;*

8.3.2. *Intentionally Deleted;*

8.3.3. the parties do not give written notice to the other party by the applicable time limited in Section 8.2 that the Mutual Condition is fulfilled then this Offer to Purchase shall automatically be null and void upon the expiry of the applicable time and the Deposit shall be applied in accordance with the Initial Offer.

### 8.4. **Consideration for and Nature of Conditions**

The Purchaser and the Vendor have each paid the other the sum of \$10.00 as consideration for their respective rights to remove or waive the conditions set forth in this Article 8 and the parties acknowledge the receipt and sufficiency in all respects of such consideration and the parties acknowledge and agree that although their obligations to complete the sale and purchase contemplated by this Offer to Purchase are subject to fulfilment or waiver of such conditions:

8.4.1. the Mutual Condition is not a condition to there being a binding agreement of purchase and sale between the parties respecting the Property; and

8.4.2. until the time limited for the fulfilment of the Mutual Condition has expired, this Offer to Purchase is not void, voidable, revocable or, except in the case of default, otherwise capable of being terminated by either of the parties.

## 9. **CLOSING**

### 9.1. **Closing**

The closing of the purchase and sale of the Property (the “**Closing**”) shall commence at 9:00 a.m. on the Closing Date in the offices in Vancouver of the Vendor’s Solicitors and the parties shall co-operate to arrange submission of registrable documents to the Land Title Office early on the Closing Date.

### 9.2. **Vendor’s Closing Documents**

At the Closing, the Vendor will deliver to the Purchaser’s Solicitors in trust to be held in escrow as hereinafter provided the following, duly executed as appropriate and applicable:

9.2.1. a Court certified copy of the Reverse Vesting Order and any other orders as are necessary, all in a form registrable, in all necessary offices required to effect the transfer of the Property;

9.2.2. letters from legal counsel to the Vendor to the Land Title Survey Authority or other agency as may be required by the Reverse Vesting Order;

- 9.2.3. a beneficial transfer conveying the beneficial interest in the Property to the Purchaser;
- 9.2.4. an instrument of transfer conveying the Shares to the Purchaser;
- 9.2.5. a termination of the Trust Declaration;
- 9.2.6. a statement of adjustments approved by the Vendor;
- 9.2.7. if applicable, either:
  - 9.2.7.1. registrable releases of any liens, charges and encumbrances against all or any part of the Property other than Permitted Encumbrances; or
  - 9.2.7.2. solicitor's undertakings in favour of the Purchaser's Solicitors and satisfactory to the Vendor's Solicitors and the Purchaser's Solicitors, each acting reasonably, providing for delivery and registration of such releases after completion upon receipt of the adjusted Purchase Price due to the Vendor on the Closing Date;
- 9.2.8. all keys and master keys to all units and facilities of the Property in the Vendor's possession;
- 9.2.9. such other documents as the Vendor's Solicitors may reasonably require to document the sale and purchase contemplated herein.

### 9.3. **Purchaser's Closing Documents**

At the Closing, following delivery into escrow by the Vendor of those documents described in Section 9.2, the Purchaser will execute and deliver to the Purchaser's Solicitors in escrow as hereinafter provided the following:

- 9.3.1. a bank draft or certified cheque, payable to the Vendor or as the Vendor may direct, in an amount equal to the adjusted Purchase Price due to the Vendor on the Closing Date;
- 9.3.2. a statement of adjustments approved by the Purchaser;
- 9.3.3. the GST Certificate; and
- 9.3.4. such other documents as the Purchaser's Solicitors may reasonably require to document the sale and purchase herein.

### 9.4. **Form of Documents**

All documents referred to in Sections 9.2 and 9.3 and not scheduled to this Offer to Purchase shall be prepared by the Purchaser's Solicitors (and delivered to the Vendor's Solicitors for review no later than five (5) Business Days prior to the Closing Date) and shall be in form and

substance approved by the Purchaser's Solicitors and the Vendor's Solicitors, each acting reasonably. Certificates of officers of parties shall be on behalf of the party and not personally.

#### 9.5. **Closing Escrow**

All documents, funds and cheques or bank drafts delivered by the Purchaser and the Vendor, except the letter referred to in Section 9.2.2, and any releases delivered pursuant to paragraph 9.2.7.1 shall be held in trust by the Purchaser's Solicitors in the Purchaser's Solicitor's offices until the letter referred to in Section 9.2.2, and any releases delivered pursuant to paragraph 9.2.7.1 have been accepted for registration in the Land Title Office and a satisfactory post index check search has been received showing that title to the Lands will be registered in the name of the Purchaser subject only to the Permitted Encumbrances and any encumbrances granted by or claimed through the Purchaser at which time all documents and monies will be released to the appropriate parties.

It will be a condition of the Closing that all matters of payment, execution and delivery of documents by each party to the other and the acceptance for registration of documents in the Land Title Office, all pursuant to the terms hereof, shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the Closing until everything required as a condition precedent at the Closing has been paid, executed and delivered and until title in and to the Lands will be registered in the name of the Purchaser as aforesaid.

#### 9.6. **Purchaser's Financing**

If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Purchase Price on the Closing Date, may wait to pay the Purchase Price to the Vendor until after the new mortgage documents have been submitted for registration in the Land Title Office, but only if, before such submission, the Purchaser has:

- 9.6.1. deposited with the Purchaser's Solicitors that portion of the Purchase Price not secured by the new mortgage;
- 9.6.2. fulfilled all the new mortgagee's conditions for funding except submitting the mortgage for registration; and
- 9.6.3. made available to the Vendor, a lawyer's undertaking to pay the Purchase Price upon the submission for registration of the new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

#### 9.7. **Vendor's Financing**

If the Vendor has existing financial charges to be cleared from title the Vendor, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Purchaser shall pay the Purchase Price to the Vendor's Solicitors, in trust, on undertakings to pay and discharge the financial charges and remit the balance, if any to the Vendor.

## 10. **GENERAL**

### 10.1. **Further Assurances**

Each of the parties shall execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Offer to Purchase.

### 10.2. **No Merger**

The parties agree that the execution and delivery of the closing documents according to Article 9 is not intended to and shall not in any way merge or otherwise restrict the terms, covenants, conditions, representations, warranties or provisions made or to be performed or observed by the parties contained in this Offer to Purchase other than their respective obligations to deliver the said closing documents.

### 10.3. **Entire Offer to Purchase**

Save and except for the Initial Offer, this Offer to Purchase constitutes the entire agreement between the Vendor and the Purchaser pertaining to the purchase and sale of the Property and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Vendor and the Purchaser and there are no warranties, representations, covenants or agreements between the Vendor and Purchaser except as set forth herein.

### 10.4. **Notices**

Any notice, document or communication required or permitted to be given hereunder shall be in writing and delivered by hand or electronic transmission to the party to which it is to be given as follows:

To the Vendor:

MNP LTD.

PO Box 72, Bentall One  
505 Burrard Street, Suite 430  
Vancouver, BC V7X 1M  
Attention: Gordon Brown  
Email: [gordon.brown@mnp.ca](mailto:gordon.brown@mnp.ca)

With a copy to:

Lawson Lundell LLP  
1600-925 West Georgia Street  
Vancouver, B.C. V6C 3L2  
Attention: Will Roberts and Nicholas Shon  
Email: [wroberts@lawsonlundell.com](mailto:wroberts@lawsonlundell.com) and [nshon@lawsonlundell.com](mailto:nshon@lawsonlundell.com)

To the Purchaser:

RFP (Willoughby) Limited Partnership  
 110-33827 South Fraser Way  
 Abbotsford, BC V2S 2C4  
 Attention: Elvin Toews  
 Email: [elvin@rfproperties.ca](mailto:elvin@rfproperties.ca)

or to such other address in the province of British Columbia as either party may in writing advise. Any notice, document or communication will be deemed to have been given when delivered or when transmitted by electronic means and received.

### 10.5. **Fees and Taxes**

10.5.1. Each of the parties will pay its own legal fees and fees of its consultants. The Purchaser shall pay all registration and property transfer taxes payable in connection with its purchase of the Property.

10.5.2. The Purchaser shall be responsible for and pay all federal and provincial sales and other taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Property, including GST, or provincial retail sales tax, provided, however, that the Purchaser shall not be required to pay GST to the Vendor on Closing if it delivers a certificate containing an undertaking and indemnity (the “**GST Certificate**”) certifying, *inter alia*, that it is purchasing the Property on its own behalf and not as trustee or agent for any third parties, confirming the Purchaser’s GST registration number (which registration number shall be provided to the Vendor’s Solicitors no later than two (2) Business Days before the Closing Date) and confirming that its registration is in full force and effect on Closing and has not been revoked or waived and that the Purchaser will indemnify and save harmless the Vendor and their shareholders, directors, officers, employees, advisors and agents from all Claims incurred, suffered or sustained as a result of a failure by the Purchaser:

10.5.2.1. to pay any federal, provincial or other taxes payable by the Purchaser in connection with the conveyance or transfer of the Property whether arising from a reassessment or otherwise, including GST, and provincial retail sales tax, if applicable; and/or

10.5.2.2. to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Property.

10.5.3. This Section 10.5 shall survive and not merge on Closing.

### 10.6. **Time**

Time shall be of the essence of this Offer to Purchase, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in

writing signed by the Vendor and the Purchaser or by their respective solicitors who are hereby expressly appointed in this regard.

If the time limited for the performance or completion of any matter under this Offer to Purchase expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day.

#### 10.7. **Tender**

Any tender of documents or money may be made upon the party being tendered or upon its solicitors and money may be tendered by wire transfer (including by way of the Large Value Transfer System as required), solicitor's certified trust cheque, certified cheque or bank draft drawn on one of the five largest Canadian chartered banks.

#### 10.8. **Enurement**

This Offer to Purchase shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns and reference to any party includes reference to its successors and permitted assigns.

#### 10.9. **Assignment**

The Purchaser will have the right to assign its rights to an Affiliate(s) or any other entity in which the Purchaser or its Affiliate(s) has an ownership interest of not less than twenty-five percent (25%) of the voting shares/units, including a limited partnership or co-ownership, PROVIDED THAT:

- (a) the Purchaser will deliver written notice to the Vendor of any such assignment along with evidence satisfactory to the Vendor, acting reasonably, of its or its Affiliate's ownership interest in the assignee;
- (b) the Purchaser will remain fully liable to the Vendor for the performance by any such assignee of the obligations of the Purchaser and will not be released from the performance hereof; and
- (c) the assignee enters into an agreement with the Vendor assuming the rights and obligations of the Purchaser.

Otherwise, the Purchaser may only assign this agreement with the prior written consent of the Vendor.

For the purposes of this Section, "Affiliate" has the meaning ascribed to it in the Business Corporations Act (British Columbia).

Notwithstanding the foregoing, the Purchaser will not be permitted, and will require the Vendor's prior written consent, not to be unreasonably withheld, to assign its rights to an Affiliate following the Mutual Waiver Date.

#### 10.10. **Break Fee**

From the date that the Vendor executes this Offer to Purchase, the Vendor agrees to pay the Purchaser a break fee in the amount of Two Hundred Thousand Dollars (\$200,000.00) (the “**Break Fee**”) in the event that the Vendor decides not proceed with this Offer to Purchase for any reason whatsoever, including but not limited to the failure to remove the Mutual Condition set out in Section 8.2, and the Offer to Purchase is terminated and becomes null and void. For clarity, the Break Fee will also be payable by the Vendor to the Purchaser in the event that the Vendor receives and accepts a competing offer for the Property. Notwithstanding the foregoing, the Break Fee will not be payable in the event that the Initial Offer closes as an asset sale to the Purchaser.

#### 10.11. **Counterparts**

This Offer to Purchase may be executed in counterparts and when each party has executed a counterpart each of such counterparts shall be deemed to be an original and all of such counterparts when taken together shall constitute one and the same agreement.

#### 10.12. **Execution Electronically**

This Offer to Purchase or a counterpart hereof may be executed by a party hereto and transmitted electronically and if so executed and transmitted this Offer to Purchase will be for all purposes as effective and binding upon such party as if such party had delivered an originally executed document.

#### 10.13. **Confidentiality**

The parties shall keep confidential all information provided to them respectively by any other party hereto pursuant to this Offer to Purchase and shall keep confidential the terms of this Offer to Purchase, except:

- 10.13.1. for the purposes of any litigation which ensues relating to this Offer to Purchase;
- 10.13.2. for the purposes of any reports required to be made by them respectively under any statute or by law;
- 10.13.3. for the purpose of dealings with their accountants, lawyers and other professionals in the administration of their respective business; and
- 10.13.4. for the purpose of anything required under this Offer to Purchase.

11. **SCHEDULES**

The following Schedules are incorporated into and form an integral part of this Offer to Purchase:

Schedule “A” – Legal Description and Permitted Encumbrances

Schedule “B” – Form of Reverse Vesting Order

12. **LETTER OF CREDIT**

On or before the Closing Date, the Purchaser shall provide the replacement letters of credit to the Vendor or the Vendor’s Solicitors for delivery to the Corporation of the Township of Langley (“**Langley**”) for any and all letters of credit presently posted with Langley in connection with the development of the Property. Following the Closing Date, the Purchaser take all commercially reasonable steps requested by the Vendor for the Vendor to secure the release of such letters of credit by Langley. The delivery of the replacement letters of credit shall be a condition of the transaction set out herein and the obligations of the Purchaser set out in this Section 12 shall survive the Closing Date indefinitely.

*[the next page is the signature page]*

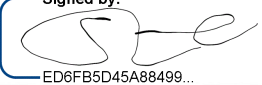


This Offer to Purchase is irrevocable and is open for acceptance by the Vendor up to 6:00 p.m. (Vancouver time) on the 13th day of August, 2024 and, upon acceptance by the Vendor, will constitute a binding agreement for the purchase and sale of the Property on the terms and conditions contained herein. In the event that this Offer to Purchase is not accepted by the Vendor on or before the aforesaid time and date, then this Offer to Purchase shall be null and void.

IN WITNESS WHEREOF this Offer to Purchase has been executed as of the day and year first above written.

**PURCHASER**

**RFP (WILLOUGHBY) LIMITED  
PARTNERSHIP, by its general partner  
REDEKOP FERRARIO PROPERTIES  
(WILLOUGHBY) CORP.**

Signed by:   
ED6FB5D45A88499...  
Per: \_\_\_\_\_  
Authorized Signatory

This Offer to Purchase is accepted by the Vendor this 13th day of August, 2024

**VENDOR**

**MNP LTD.,**  
solely in its capacity as receiver of the Property,  
and not in its personal capacity

  
Per: \_\_\_\_\_  
Authorized Signatory

## SCHEDULE "A"

### PART 1 - LEGAL DESCRIPTION OF THE PROPERTY

PID: 030-943-973, Lot A Section 14 Township 8 New Westminster District Plan EPP82621

(the "Property")

### PART 2 - PERMITTED ENCUMBRANCES

Those exceptions and limitations set out in Section 23(2) of the *Land Title Act* (British Columbia), including those exceptions and reservations contained in the original Crown grant or contained in any other grant or disposition from the Crown;

#### Legal Notations

HERETO IS ANNEXED EASEMENT CA7826904 OVER PART OF LOT 37 PLAN 30901 AS SHOWN ON PLAN EPP91138

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA7999556 FILED 2020-01-24

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CA9344379

ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA) FILED 31.03.1976 UNDER NO. M26464 PLAN NO. 49871

ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA) FILED 31.03.1976 UNDER NO. M26464 PLAN 49871

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ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA) FILED 31.03.1976 UNDER NO. M26464 PLAN NO. 49871

#### Charges, Liens and Interests:

Statutory Right of Way AB166579

Covenant CA7826891

Covenant CA7826894

Statutory Right of Way CA7826898

Covenant CA7826906

Easement CA7826914

Covenant CA7826916

Covenant CA7826918

Statutory Right of Way CA8650541

Statutory Right of Way CA8650542

Covenant CA9248520

Covenant CA9248523

Covenant CA9248526

Statutory Right of Way CA9248530

Covenant CA9248533

Statutory Right of Way CA9248537

Easement CA9248542

Covenant CA9248545

Covenant CA9248550

Statutory Right of Way CA9342985

**SCHEDULE "B"**  
**FORM OF REVERSE VESTING ORDER**

[see attached]

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

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

THE RESPONDENTS

**ORDER MADE AFTER APPLICATION**

**APPROVAL AND VESTING ORDER**

BEFORE THE HONOURABLE ) FRIDAY, THE 23<sup>rd</sup> DAY  
JUSTICE WALKER ) OF AUGUST, 2024  
)

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

THIS COURT ORDERS AND DECLARES THAT:

## ABRIDGING TIME

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

## DEFINITIONS

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

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

#### **APPROVAL OF THE TRANSACTION**

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

#### **VESTING OF ASSETS AND LIABILITIES**

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

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



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

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

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

## **RELEASES**

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

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

## **RESIDUAL CO**

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

## **MISCELLANEOUS**

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

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

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

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

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Signature of Alexis E. Teasdale

Party  Lawyer for the Receiver, MNP Ltd.

BY THE COURT

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REGISTRAR

**Schedule A – List of Parties Appearing**

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

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

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

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

**Schedule “C”**  
**Permitted Encumbrances, Easements and**  
**Restrictive Covenants related to the Lands**

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

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



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

**Schedule D – Receiver’s Certificate**

NO. S-237489  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

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

RESPONDENTS

**Receiver’s Certificate**

RECITALS

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

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

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

THE RECEIVER CERTIFIES the following:

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

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

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

Per: \_\_\_\_\_

No. S-237489  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCAP FINANCIAL CORPORATION

PETITIONER

AND:

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

RESPONDENTS

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**ORDER MADE AFTER APPLICATION**

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

Attention: William Roberts  
[wroberts@lawsonlundell.com](mailto:wroberts@lawsonlundell.com)



## **APPENDIX B**

Receiver's Interim Statement of Receipts and Disbursements

In the Matter of the Receivership of QRD (Willoughby) Holdings Inc. et al.  
Receiver's Interim Statement of Receipts and Disbursements  
For the Period November 8, 2023 to July 31, 2024

<b>Receipts</b>	<b>\$</b>
Advance from Secured Creditor	2,384,000.00
Refunds - BC Hydro and Misc.	130,903.00
GST Refunds	97,799.19
Cash in bank	24,927.85
Interest	7,272.60
	<u>2,644,902.64</u>
<b>Disbursements</b>	
Contractor costs <sup>1</sup>	1,584,162.96
Insurance	206,501.00
Receiver's fees and disbursements	257,623.66
Security	116,540.48
GST paid	108,484.98
Legal fees and disbursements	92,791.37
Consultant fees	76,089.03
Utilities	40,448.92
PST on legal fees	6,299.28
Administrative disbursements	5,708.10
Advertising	745.30
Ascend License Fee	294.25
Filing fees paid to Official Receiver	75.30
Bank fees	67.85
Fees paid to registrar	40.00
Search fees	29.50
Courier fees	5.76
	<u>2,495,907.74</u>
<b>Excess Receipts over Disbursements</b>	<u>148,994.90</u>