

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

SERVUS CREDIT UNION LTD. and
CONCENTRA FINANCIAL SERVICES ASSOCIATION
ASSOCIATION DE SERVICES FINANCIERS CONCENTRA

PLAINTIFFS

AND:

SQUAMISH JV LTD.

DEFENDANT

RECEIVER'S FIRST REPORT TO THE COURT

Introduction and background

Meyers Norris Penny Limited:

- (a) was appointed Interim Receiver ("IR") of the assets and undertakings of Squamish JV Ltd. ("Squamish JV") by the Supreme Court of British Columbia (the "Court"), effective August 31, 2010 (the "Interim Receiver Order");
- (b) was appointed Receiver and Manager ("Receiver") of the assets and undertakings of Squamish JV by the Supreme Court of British Columbia effective November 24, 2010 (the "Receivership Order").

The IR previously filed three reports to the Court. This is the First Report of the Receiver, and it should be read in conjunction with the previously filed IR reports.

Proposed sale

1. The property that is the subject of this proceeding is a hotel in Squamish. Under the Receivership Order, the Receiver was empowered and authorized to sell the property subject of the receivership, subject to approval of the court (subject to some exceptions which do not apply with respect to the transaction discussed below).
2. The Receiver has marketed the subject property. The particulars of that marketing are set out in a separate affidavit of the realtor involved in that marketing.
3. The Receiver has entered into an agreement to sell the subject property to Northland Properties Corporation ("Northland") and attached as Appendix A to this Report is a copy of the sale purchase agreement between the Receiver and Northland.
4. The salient features of the proposed agreement are as follows:

- (a) purchase price - \$5,750,000.00;
- (b) conditions precedent – Court approval;
- (c) closing – 10 business days after Court approval;
- (d) payment of purchase price - the agreement provides that on closing, Northland's solicitors will pay the net purchase price to the Receiver's solicitors based on pending application information, but the Receiver's solicitors will not be at liberty to release the monies to the Receiver until after title to the subject lands has been issued as contemplated by the agreement. This point was the subject of negotiations between the Receiver and Northland, and in the end the Receiver agreed to this process;
- (e) purchase price allocation – the agreement provides for the following allocation of the purchase price:
 - (i) land - 6% of the price;
 - (ii) improvements - 64% of the price; and
 - (iii) personal property - 30% of the overall price.

* This allocation was subject of negotiations between the Receiver and Northland and in the end the Receiver agreed to the allocation as set out in the agreement.

- 5. The Receiver had previously obtained an appraisal report with respect to the property. That report assumed completion of certain work (such as completion of exterior landscaping, and pool and waterslide) and assumed that there are no capital leases for equipment. In that regard, the exterior landscaping has not been completed, the pool and waterslide have not been completed and certain equipment is subject of leases which the purchaser proposes to take over. The proposed transaction is at a price which is in excess of the appraisal.
- 6. The Receiver is satisfied that the proposed sale to Northland is the best sale that can be obtained in the circumstances.
- 7. The Receiver is gathering information with respect to liabilities of Squamish JV Ltd. where such liabilities would not be the subject of registered charges. The liabilities in question would include unpaid source deductions, and possible other liabilities. The Receiver intends to prepare a further report to the Court on this point, and would only propose to distribute the net proceeds from the proposed sale at a further application to the Court which would be based, in part, on such report.

Additional Information with respect to the property

- 8. The Receiver will seek Court approval of the proposed sale. The following additional information is relevant to such application:

- (a) there has been significant negative press in the area, and some animosity towards the project, because a number of local contractors were left unpaid;
 - (b) the subject property is a failed hotel venture which never started to operate properly. The original management ceased to be involved some time in the Spring of 2010, and since that time until the onset of the Receivership, the hotel had been operated by a group of minority investors who did not necessarily have experience in operating hotels;
 - (c) when the hotel opened, there was no "grand opening", and the owner never put in place proper marketing and operating plans. The pool was going to be one of the attractions in the hotel, it has not been completed;
 - (d) there had been plans for the area around the hotel to develop restaurants and retail outlets; there is no known starting date for such additional development. The adjoining lands have two exposed abandoned foundations, and there are two large mounds of stone and gravel at the front entrance to the property. Lack of landscaping at the property and surrounding area give the appearance that the hotel is closed or still under construction;
 - (e) the tourism industry affecting the Whistler Squamish region has declined, and Squamish is feeling the negative effects of the reduced room rates in Whistler, together with the loss of jobs for construction workers (who previously needed accommodation in the area) because the Sea to Sky Highway improvements have been mainly completed; and
 - (f) due to the improved road, more Lower Mainland residents going to Whistler go directly to Whistler and by pass any accommodation in Squamish.
9. The hotel does not generate sufficient revenue to pay its expenses. The Receiver has authorized borrowings of \$500,000.00 and most of these funds have been or will be expended on hotel operations, remedying critical building deficiencies and professional fees. Attached as Appendix B to this report is a summary of the hotel operations, including occupancy level, for the time period noted in the summary, which summary also sets out the current cash position with respect to the hotel.
10. The Receiver has confirmed with the Plaintiff Credit Union that the Credit Union does not wish to continue funding shortfalls (through loans to the Receiver). There has been no indication from any of the investors in the hotel venture that they willing or able to fund operations (and in fact there is an ongoing dispute as to the sum of \$25,000.00 which those investors have placed in trust with their counsel some time before the onset of the receivership).

Summary

11. The Receiver is satisfied that the property has been properly marketed. The hotel operation is losing money and needs experienced hotel management. If the property is not sold, there is a risk of a need for continued funding.

12. The Receiver seeks Court approval of the proposed sale of the property to Northland Properties Corporation.

MEYERS NORRIS PENNY LIMITED
in its capacity as Receiver and Manager of Squamish JV Ltd.
(and not in our personal or corporate capacity)



for

Ian P. Mackin, CA, CIRP, Trustee
Senior Vice President

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is dated for reference March 11 2011 and is made between

Meyers Norris Penny Limited, in its capacity as receiver and manager of the assets, undertakings and properties of Squamish JV Ltd. pursuant to an order granted in the Court Action (as defined below) and not in its personal capacity

2300 – 1055 Dunsmuir Street
Vancouver, British Columbia V7X 1J1

Attention: Craig Donnelly

(the "Vendor")

AND:

Northland Properties Corporation, a British Columbia company
310 – 1755 West Broadway
Vancouver, British Columbia V6J 4S5

(the "Purchaser")

WHEREAS:

- A. Servus Credit Union Ltd. and Concentra Financial Services Association Association de Services Financiers Concentra commenced a Court action in The Supreme Court of British Columbia, Action No. S-105562, Vancouver Registry (the "Court Action");
- B. Pursuant to an order granted in the Court Action on November 24, 2010 (the "Receivership Order"), Meyers Norris Penny Limited was appointed as the receiver – manager of all of the current and future assets, undertakings and properties of every nature and kind of Squamish JV Ltd. (the "Company"), with the powers as set out in the Receivership Order, which powers include the power to market the Purchased Assets (as hereinafter defined), with any sale subject to approval of the Court in the Court Action.
- C. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Purchased Assets, on the terms and subject to the conditions provided in this Agreement.

NOW, THEREFORE, in consideration of the covenants, representations, warranties and agreements contained herein, the Parties hereto covenant and agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions. Unless otherwise specifically provided or the context otherwise requires, where used in this Agreement (including the Schedules hereto) and the Recitals to this

Agreement, the terms set out in Schedule (A) to this Agreement shall have the meanings set forth or as referenced in that Schedule.

1.2 Gender and Number. Words and defined terms importing the singular shall include and have a comparable meaning when used in the plural, and vice versa, and words importing gender include all genders.

1.3 Currency. All references to currency shall mean Canadian Dollars unless otherwise expressly provided.

1.4 Schedules. The following Schedules attached hereto are integral to and form part of this Agreement:

Schedule	Description
(A)	Definitions
(B)	Information with respect to Purchased Assets
(C)	Solicitor's undertaking
(D)	Printout of search of the Lands
(E)	Lessor Consent

1.5 Section Headings and References. All Article and Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Unless otherwise indicated, references to Articles or Sections are to Articles or Sections in the main body of this Agreement and references to paragraphs are references to numbered paragraphs in the Schedules.

1.6 Time of Essence. Time is of the essence of this Agreement.

ARTICLE 2 PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Assets. Upon and subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell and transfer to the Purchaser, and the Purchaser hereby agrees to purchase and acquire from the Vendor, the Purchased Assets.

2.2 Purchase Price. The consideration for the Purchased Assets shall be the total of:

- (a) **\$5,750,000.00** (the "Purchase Price") payable as follows:
 - (i) **\$500,000.00** (such sum plus all interest earned thereon is herein referred to as the "**Deposit**"), to be paid by the Purchaser to the Vendor's agent within three Business Days following the date of the delivery of this Agreement by the Vendor to the Purchaser (the "**Date of Acceptance**"), and deposited and held in trust by the Vendor's agent in an interest-

bearing account pending completion of the sale and purchase of the Purchased Assets or other termination of this Agreement; and

- (ii) the balance, less the Deposit, to be paid on the Closing Date; **plus**
- (b) the Vendor's share of any revenue to be paid by the Purchaser to the Vendor on the Closing Date in accordance with the last sentence of subparagraph 6.2(b)(i); **plus**
- (c) an amount equal to that portion of the prepaid expenses relating to the Purchased Assets which relates to the time period after the Closing Date, as set out in a schedule which the Vendor will provide to the Purchaser prior to Closing Date in accordance with subparagraph 6.2(c), such amount to be paid on the Closing Date.

The amounts in respect of sub-sections (b) and (c) above shall be set forth in a Closing Adjustment Statement to be approved by both parties.

2.3 Deposit. The Deposit will be: (i) credited to the Purchase Price and will be paid to the Vendor if the sale and purchase is completed in accordance with the terms hereof; (ii) paid to the Purchaser if any of the conditions precedent in Sections 5.1 or 5.2 are not satisfied on or before the date specified therein; (iii) paid to the Vendor if the Purchaser defaults in the completion of obligations hereunder as liquidated damages (the Parties hereby agreeing that such amount constitutes a genuine pre-estimate of damages) as the Vendor's sole and exclusive remedy;

2.4 Allocation of Purchase Price. The Purchase Price shall be allocated as set out in Schedule (B), Part 5.

2.5 Assumed Obligations. On the terms and subject to the conditions herein contained, the Purchaser will assume and thereafter pay, perform, discharge and satisfy the following liabilities and obligations of the Vendor and/or the Company:

- (a) all liabilities and obligations (other than liabilities and obligations which may be part of the prepaid expenses and which will be dealt with in accordance with subparagraph 6.2(c)) accruing on and after the Time of Closing under the Assumed Contracts; and
- (b) all obligations to provide accommodation at the Lands for the time period starting on the Closing Date and continuing thereafter as per a summary of any existing reservations which the Vendor will provide to the Purchaser or the Purchaser's solicitor prior to the Closing Date in accordance with subparagraph 6.3(b);

(collectively the "Assumed Obligations").

2.6 Sales and Transfer Taxes and Charges. The Purchaser shall be responsible to pay when due any property transfer, sales, social service, goods and services and similar Taxes and any registration and transfer charges and fees payable in respect of the sale and transfer of the

Purchased Assets. The Purchaser shall pay directly to the appropriate Governmental Authority all such Taxes, charges and fees payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement, including all taxes imposed under the *Excise Tax Act* (Canada), payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement and, upon the request of the Vendor, the Purchaser, when such Taxes have been paid, shall furnish to the Vendor proof of such payment. Where under the terms of any applicable legislation a vendor of assets such as the Purchased Assets is to collect any Taxes to be forwarded to the applicable Governmental Authority, the Purchaser will pay, if the Vendor so requests, the amount of such Taxes to the Vendor in an amount as determined by the Vendor acting reasonably, together with the payment of the Purchase Price and the Vendor shall provide a receipt respecting the payment of such Taxes by the Purchaser and shall, upon request of the Purchaser, furnish to the Purchaser proof that such Taxes have been forwarded to, or accounted for to, the applicable Governmental Authority.

2.7 Unassignable Licences and Permits. This Agreement or any document delivered hereunder shall constitute a conditional assignment of any rights, benefits or remedies (the "Rights") under any leases, licences and Permits that are not assignable by the Vendor to the Purchaser without the consent of the other party thereto or the party granting the same (the "Third Party"), conditional upon the Purchaser obtaining such consents at the Purchaser's sole cost. The Vendor agrees to provide commercially reasonable co-operation to the Purchaser with respect to obtaining such consents, provided that the Vendor will not in connection with such commercially reasonable co-operation be required to discharge any obligation to, or assume any obligation to, or otherwise make any payment to, any Third Party or the Purchaser.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 As is where is. The Vendor expressly disclaims any and all representations and warranties in relation to the Purchased Assets and the Purchaser acknowledges that the Purchased Assets shall be sold on an "as is, where is" basis and save as expressly set forth in this Agreement the Vendor makes no representations or warranties, and there are no representations or warranties or terms or conditions whatsoever, whether expressed, implied, statutory or otherwise, with respect to the Purchased Assets, including without limitation, any representations, warranties, terms or conditions with respect to their merchantability, fitness for any particular purpose, good standing, or quality or any other matters whatsoever in any way related to the subject matter of the transactions subject to this Agreement.

3.2 Acknowledgement and Release Regarding Environmental Condition of Purchased Assets. Without limitation to the generality of Section 3.1 or any other terms of this Agreement, the Purchaser:

- (a) agrees that it is purchasing the Purchased Assets pursuant to this Agreement on an "as is where is" basis without any representations, warranties or responsibility from or on behalf of the Vendor as to any matter concerning the state of the Purchased Assets, including any environmental condition of or with respect to them, or as to any effect or impact that the Purchased Assets or any Contaminants associated with the Purchased Assets may have on neighbouring lands or areas;

- (b) hereby remises, releases and forever discharges the Vendor and the Company and each of their respective affiliates, directors, officers, agents, employees and shareholders (in this Section collectively called the "Releasees") of and from any and all liability, claim, demand, obligation, cause of action, remediation, cost recovery action, investigation, proceeding, order, violation, damage, loss, cost, expense, judgment, penalty, or fine asserted by any party (including, without limitation, any private party or Governmental Authority) arising out of or relating to Environmental Laws or Environmental Liabilities, including without limitation, any cost of managing, removing, remediating or disposing of any Contaminants, as well as any liability, cost or expense whatsoever relating to any enforcement actions, orders, cost recovery actions or remedial actions related to any Environmental Liabilities or Contaminants, except to the extent arising out of intentional misconduct of any of the Releasees and in such case only with respect to the Releasee in question, and the Purchaser hereby waives any and all such rights that the Purchaser now has or will have as against the Releasees or any of them, except to the extent arising out of intentional misconduct of any of the Releasees and in such case only with respect to the Releasee in question;
- (c) waives any requirement on the part of the Vendor, or any other party, to provide a site profile (as that term is defined in the *Environmental Management Act* (British Columbia)) for the Purchased Assets; and
- (d) agrees with the Vendor that the provisions of this Agreement constitute a private agreement between them by which the Purchaser accepts responsibility respecting liability for any contamination and required remediation of any of the Lands.

Without limitation to any other provision of this Agreement, the provisions of this Section 3.2 shall not merge on, but shall survive, the Closing.

3.3 Further Acknowledgements of Purchaser. Without limiting the generality of the foregoing, it is acknowledged and agreed by the Purchaser that:

- (a) to the extent that any goods or assets which are situate at or about the Purchased Assets after Closing are not part of the Purchased Assets, the Vendor has no obligation to remove or in any way take any steps with respect to such goods or assets;
- (b) to the extent that any information which the Vendor has provided or may provide to the Purchaser with respect to the Purchased Assets is based on the records of the Company, the Vendor makes no representation whatsoever with respect to the accuracy of any such information;
- (c) the contents of the Schedules are for information purposes only and are in no way any representation by the Vendor as to the status or existence of the matters described in those Schedules; and

- (d) the Purchased Assets will after the Closing remain charged by all encumbrances to which the Purchased Assets are subject as at the date of this Agreement, except encumbrances described under "charges to be discharged" in Schedule (B) part 6.

Notwithstanding the foregoing, the right, title and interest of the Company in and to the Lands and Personal Property and Permits described in Parts 1, 2 and 3 of Schedule (B) do constitute the Purchased Assets being purchased pursuant to this Agreement, subject to the rights of the third parties referred to in paragraph C, part 2 of Schedule (B).

ARTICLE 4 VENDOR COVENANTS

4.1 Changes before Closing. Except as otherwise consented to in writing by the Purchaser, from the date of this Agreement until the Closing Date, the Vendor shall promptly advise the Purchaser of any material adverse changes in the condition of the Purchased Assets upon actually becoming aware of such changes.

4.2 Employees. The Vendor will, effective the end of shift of the applicable employee on the Closing Date (the "Termination Time"):

- (a) terminate the then existing employment contracts of all employees of the Company employed in relation to the business carried on at the Lands;
- (b) terminate the then existing employment contracts of all employees who had been hired by the Vendor after the date of the Receivership Order in relation to the business carried on at the Lands; and
- (c) pay all:
 - (i) regular wages and benefits payable to such employees up to the Termination Time; and
 - (ii) other monies payable to such employees in connection with their employment or as a result of such termination of their employment,

to the extent that if such amounts were not paid to those employees, then the Purchased Assets would be, and would after Closing remain, subject of a lien in favour of the Director of Employment Standards on account of such unpaid amounts.

4.3 HI Signage. Within a reasonable time after completion of this transaction, the Vendor shall, at its expense, remove the HI Signage from the Lands.

**ARTICLE 5
CONDITIONS OF CLOSING**

5.1 Conditions for the Benefit of the Purchaser. The obligation of the Purchaser to complete the purchase of the Purchased Assets at the Closing as contemplated by this Agreement is subject to the satisfaction of each of the following conditions by the dates set forth below, or if no date is set forth then by the Time of Closing:

- (a) each of the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects at the date hereof and at the Time of Closing as if made at and as of each such date and time;
- (b) each of the covenants and agreements of the Vendor to be performed prior to or at the Time of Closing shall have been duly performed in all material respects; and
- (c) if by the Closing Date the Purchaser has identified to the Vendor specific financial claims (in other words claims for payment of money) which if unpaid would form a lien against the Purchased Assets after the purchase of them by the Purchaser and would not be discharged by the registration of the Vesting Order, that the Vendor has as at the Closing Date confirmed to the Purchaser that the Vendor will within a reasonable time after the Closing Date:
 - (i) pay such claims from the proceeds of the sale of the Purchased Assets; or
 - (ii) obtain discharges of such claims in so far as those claims affect the Purchased Assets; or
 - (iii) obtain an order of a Court of competent jurisdiction confirming that such claims if unpaid do not form a lien against the Purchased Assets after the purchase of them by the Purchaser.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived, in writing, by the Purchaser, in whole or in part, at or prior to the respective time for fulfilment of such conditions and if a condition is not fulfilled or performed or waived in writing at or prior to such time, then this Agreement shall at such time cease to be of any force or effect and the Deposit shall be returned to the Purchaser.

5.2 Conditions for the Benefit of the Vendor. The obligation of the Vendor to complete the sale of the Purchased Assets at the Closing as contemplated by this Agreement is subject to the satisfaction of each of the following conditions:

- (a) each of the covenants and agreements of the Purchaser to be performed prior to or at the Time of Closing shall have been duly performed in all material respects;

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived, in writing, by the Vendor, in whole or in part, at or prior to the time(s) set for the satisfaction of such conditions.

5.3 Mutual Conditions. The obligation of the Vendor and of the Purchaser to complete the sale and purchase of the Purchased Assets as contemplated by this Agreement is subject to the satisfaction of each of the following conditions by the dates set forth below, and if no dates are set forth then by or as at the Closing Date:

- (a) the Vendor shall have obtained the Vesting Order by a date no later than 21 Business Days after Date of Acceptance and shall have provided written confirmation to that effect to the Purchaser;
- (b) there shall be no order of a Court of competent jurisdiction prohibiting the carrying out of the transaction subject of this Agreement and the Vesting Order shall not have been stayed; and
- (c) the Vendor's solicitors shall have confirmed to the Purchaser by no later than two days before the Closing Date that they are in possession of a registrable discharge of mortgage and assignment of rents registered against the Lands under nos. BB922399 and BB922400 (the "**Concentra Discharges**"); and
- (d) the Vendor shall have provided to the Purchaser by no later than two days before the Closing Date confirmations from the lessors under the Assumed Contracts which show that cumulatively the aggregate periodic (ie not including any payments to exercise any purchase option or similar) payments remaining to be made under the Assumed Contracts after the Closing Date will be no more than \$335,000.00 with respect to the then unexpired terms of those Assumed Contracts, not including any applicable taxes.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be waived in whole or in part only if jointly waived in writing by the Vendor and the Purchaser, at or prior to the time set for the satisfaction of such conditions and if they are not satisfied at or prior to the applicable time(s), then this Agreement shall at such time cease to be of any force or effect and the Deposit shall be returned to the Purchaser.

ARTICLE 6 CLOSING RELATED MATTERS

6.1 Closing. The Closing of the sale and purchase of the Purchased Assets shall, subject to the satisfaction or waiver of the conditions set out in ARTICLE 5, take place at the offices of Fasken Martineau DuMoulin LLP, 2900 - 550 Burrard Street, Vancouver, British Columbia at the Time of Closing on the date (the "**Closing Date**") which is the later of April 12, 2011 and the 10th Business Day following the day when the conditions in subparagraph 5.3 (a) are satisfied, or at such other place, time and date as the parties may agree. If the Closing Date should fall on a day on which the applicable Land Title Office is not open for the processing of transfer documents, then the Closing Date shall be automatically extended to the next such day on which the Land Title Office is open for such purpose.

6.2 Adjustments. The following matters will be adjusted between the Vendor and the Purchaser:

- (a) property Taxes and municipal utilities with respect to the Lands shall be adjusted as of the Closing Date such that the Purchaser shall pay all such taxes from and including the Closing Date;
- (b) all matters relating to:
 - (i) the revenues generated by the provision of accommodation at the Lands shall be adjusted so that all revenue for accommodation for the night starting on the night before the Closing Date and thereafter shall accrue to the benefit of the Purchaser and all revenue for accommodation prior to that time shall accrue to the benefit of the Vendor, and the Purchaser will receive credit for any monies received by the Vendor with respect to the provision of accommodation or any services at the Lands after the Closing Date. Where any accommodation has been contracted for a time period which spans the Closing Date, the rental for such accommodation will be collectable by the Purchaser (if not already collected by the Vendor) and the collected rentals will be shared between the Purchaser and the Vendor in accordance with this subparagraph, and the Purchaser will pay the Vendor's share of such rental to the Vendor on the Closing Date by way of a credit to the Vendor on the adjustment statement, or the Vendor will pay the Purchaser's share of such rental to the Purchaser on the Closing Date by way of a credit to the Purchaser on the adjustment statements if such rental was already collected by the Vendor;
 - (ii) any other revenue and expenses shall be adjusted as at 00:01 on the Closing Date with the intent and effect that up to that time the Vendor will have the benefit and the burden of all such matters and from and including that time the Purchaser will have the benefit and the burden.
- (c) if the Vendor has paid any expenses and any benefits of such payments relate to a time period which includes and/or is after the Closing Date, then the Vendor, acting reasonably, will allocate a portion of such prepaid expenses to the time period which includes the Closing Date and thereafter, and will provide a schedule to the Purchaser which provides reasonable particulars related to the same, and the Purchaser will pay that "Closing Date and thereafter" allocated portion of the prepaid expenses as set out in that schedule to the Vendor on the Closing Date;
- (d) the Purchaser agrees that nothing in this agreement will impose any obligation on the Vendor with respect to any monies payable to any of the parties referenced in the Assumed Contracts; and
- (e) there shall be no other adjustments with respect to the transaction subject of this Agreement and without limitation:
 - (i) the Purchaser is not purchasing any accounts receivable with respect to the provision of accommodation or any services at the Lands up to the Closing



Date and subject to the collection of accommodation charges for stays which span the Closing Date, which will be dealt with as set out in subparagraph 6.2(b)(i), the collection of any accounts receivable which are owed on or before the Closing Date will be up to the Vendor; and

- (ii) the Purchaser shall have no obligation to pay any accounts payable with respect to the Purchased Assets which arose, or relate to a time period, prior to the Closing Date, except to the extent that the same are subject of any adjustments as above referred to.

6.3 Vendor's Documents. On or before:

- (a) the 5th Business Day before the Closing Date, the Vendor will deliver the following to the Purchaser's solicitor:
 - (i) a statement of the proposed adjustments to be made in accordance with the terms of sub paragraph 6.2 for the Purchaser's comments and approval;
 - (ii) written confirmation that forthwith after Closing the Vendor will notify "Holiday Inn" that the Closing has occurred and that all agreements with "Holiday Inn" have been cancelled; and
 - (iii) copies of such lessor consents in the form of Schedule (E) as the Vendor shall have received from the counterparties to the Assumed Contracts by the last mentioned Business Day.
- (b) one Business Day before the Closing Date, the Vendor will deliver the following to the Purchaser's solicitors:
 - (i) a summary of any existing reservations for the provision of accommodation at the Lands for the time period starting on the Closing Date and continuing thereafter; and
 - (ii) such documents as the Vendor is legally able to execute and deliver, and as the Purchaser had requested by no later than 5 Business Days before the Closing Date, to assist the Purchaser to obtain the necessary approval of the transfers to the Purchaser, or of re-issuance to the Purchaser, of all operating licenses and permits applicable to the business carried on at the Lands, provided that the same will not be used until the Time of Closing on the Closing Date.

6.4 Purchaser's Pre Closing and Closing Documents. On or before:

- (a) the 5th Business Day before the Closing Date the Purchaser will deliver to the Vendor's solicitors:
 - (iii) such documents as the Vendor is legally able to execute and deliver, without incurring any legal liability with respect to doing so, to assist the

Purchaser to obtain the necessary approvals of the transfers to the Purchaser or the reissuance to the Purchaser of all operating licences and permits applicable to the business carried on at the Lands;

(b) the 3rd Business Day before the Closing Date the Purchaser will deliver to the Vendor's solicitors:

(i) the statement of adjustment as provided by the Vendor, approved by the Purchaser;

(c) one Business Day before the Closing Date the Purchaser will deliver to the Vendor's solicitor:

(i) payment of:

(A) the balance of the Purchase Price in accordance with the approved statement of adjustments, plus the amount payable to the Vendor pursuant to the Closing Adjustment Statement (if not reflected in the approved statement of adjustments) (such balance and amount and any monies received by the Vendor's solicitors from the realtor holding the Deposit being hereinafter referred to as the "Balance");

(B) amount of the property transfer tax required to be paid in connection with the transfer of the Lands;

(C) the Taxes to be collected by the Vendor in accordance with the Agreement, payable to the Vendor's solicitors in Trust; and

(D) such amount as the Vendor's solicitor will have advised, before such time, will be the expected land title agent related charges with respect to submission of the Transaction Documents (as defined in Schedule C),

all by way of a solicitor's trust cheque or solicitor's trust cheques, or a bank draft (or bank drafts) drawn on a major Canadian chartered bank and issued by a branch of such bank in downtown Vancouver, and in each case payable the Vendor's solicitors in trust;

(ii) a direction to the realtor holding the deposit to pay the Deposit, net of commission, to the Vendor's solicitors in trust;

(iii) all documents required to be submitted to the land title office in order for that office to process the Transaction Documents (as defined in Schedule C); and

(iv) such other documents as may be required to give effect to the transaction subject of this Agreement,

against such solicitors' undertaking substantially as set forth in Schedule (C) hereto.

6.5 Possession of the Purchased Assets and Title. Provided that all of the above deliveries have been made as called for, the Purchaser shall be entitled to take possession of the Purchased Assets where situate at the Time of Closing on Closing Date.

6.6 Risk of Loss and Damage. All of the Purchased Assets shall be and remain at the risk of the Vendor until the Time of Closing and shall be at the risk of the Purchaser from and after the Time of Closing. If prior to the Closing Date a material portion of the Purchased Assets is destroyed or is damaged by fire or any other casualty or is expropriated or seized by any Governmental Authority, then the Purchaser may, at its option:

- (d) terminate this agreement; or
- (e) proceed with the transaction subject of this agreement, and in such case the Purchase Price shall not be affected by such destruction or damage or expropriation or seizure and the insurance proceeds actually paid to the Vendor in relation to such destruction or damage or the compensation for such expropriation or seizure paid or payable to the Vendor shall be deemed to be included in the Purchased Assets without any adjustment to the Purchase Price and the Purchaser shall accept such insurance and/or compensation, or the right to recover the same, in replacement for the Purchased Assets so destroyed, damaged, expropriated or seized. The Purchaser acknowledges having been advised by the Vendor as to the insurance carried by the Vendor in relation to the Purchased Assets.

ARTICLE 7 MISCELLANEOUS

7.1 Court Approval. The Purchaser acknowledges that the carrying out of the transaction which is the subject of this Agreement will be subject to Court approval. The Vendor hereby advises the Purchaser that the Vendor's obligations in connection with this Agreement are limited to presenting this Agreement, by itself or together with other agreements, to the Court and any parties which could be affected by the Vesting Order and, without limitation, the Vendor has no duty to advocate the acceptance of this Agreement to any party or before the Court and may advocate the acceptance of another agreement. The Purchaser acknowledges having been advised by the Vendor to arrange for its own representation at any court application to approve the Transaction, it being acknowledged that the Purchaser's ability to make representations at such application is subject to orders of the Court.

7.2 Acknowledgement Regarding Vendor. The Purchaser acknowledges that Meyers Norris Penny Limited is acting only in its capacity as Receiver and Manager appointed in the Court Action, and not in its personal capacity, and that Meyers Norris Penny Limited shall have no liability under or as a result of entering into this Agreement or carrying out the transaction subject of this Agreement as the Vendor except in such capacity and without limitation to the generality of the foregoing Meyers Norris Penny Limited shall have no liability under or as a

result of entering into or carrying out of the transactions subject to this Agreement in its personal capacity.

7.3 Acknowledgment regarding agent. The Purchaser acknowledges that Colliers Macaulay Nicholls (BC) Inc. and CB Richard Ellis Limited are acting as a real estate agent for the Vendor only and are not acting for the Purchaser.

7.4 Amendment and Modification: Waiver. This Agreement may only be amended or modified in writing, signed by all of the Parties. No waiver in writing of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

7.5 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated by this Agreement are consummated, the Parties shall bear their own respective expenses (including, but not limited to, all compensation and expenses of counsel, consultants and accountants) incurred in connection with this Agreement and the transactions contemplated hereby.

7.6 Assignment. The Purchaser may assign its rights under this Agreement with respect to the Purchased Assets to a nominee of the Purchaser up to one Business Day prior to the application for the Vesting Order provided that the Purchaser shall remain fully liable with respect to the obligations of the Purchaser under the Agreement.

7.7 Entire Agreement. This Agreement (including without limitation, the agreements and documents in writing contemplated to be delivered hereunder or herewith as of the date of this Agreement) contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

7.8 Parties in Interest. This Agreement shall enure to the benefit of and be binding upon the Vendor and its successors and assigns and the Purchaser and its successors and permitted assigns.

7.9 Further Assurances. Up to the Closing Date, each of the Parties agrees that it shall act in good faith with respect to the satisfaction of its obligations under this Agreement, and, at the reasonable request of the other Party, shall, at its own expense, take such actions and do such things and, as the case may be, execute and deliver or furnish such additional agreements, documents and instruments as may, from time to time, be necessary or reasonably desirable to better effectuate the transactions contemplated by this Agreement.

7.10 Counterparts. This Agreement and any amendments hereto may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be considered one and the same agreement. A signed facsimile or scanned and emailed copy of this Agreement shall be effectual and valid proof of execution and delivery.

7.11 Performance on Holidays. If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.

7.12 Notices. All notices hereunder shall be deemed given if in writing and delivered personally or sent by facsimile or by registered or certified mail (return receipt requested), but not by email, to the Parties at the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to the Purchaser, to:

Northland Properties Corporation
310 – 1755 West Broadway
Vancouver, BC V6J 4S5
Fax: (604) 730-4645

Attention: R. Thomas Gaglardi, President

with a copy to:

Northland Properties Corporation
310 – 1755 West Broadway
Vancouver, BC V6J 4S5
Fax: (604) 730-4645

Attention: Mr. Rob Toor and Mr. Bernie J. Malach
 Counsel

(b) if to the Vendor, to:

Meyers Norris Penny Limited, in its capacity as receiver and manager of the assets, undertakings and properties of Squamish JV Ltd. pursuant to an order granted in the Court Action (as defined below) and not in its personal capacity

2300 – 1055 Dunsmuir Street
Vancouver, British Columbia V7X 1J1

Attention: Craig Donnelly
Fax: (604) 685-8594

with a copy to:

Fasken Martineau DuMoulin LLP
2900-550 Burrard Street
Vancouver, British Columbia
V6C 0A3

Attention: Marcel J. Peerson
Fax: (604) 632-4771



Any notice given by mail shall be effective, if mailed at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, on the fourth Business Day after the post-marked date thereof. Any notice given by facsimile shall be effective on the Business Day following the sending. Any notice delivered personally shall be effective at the time it is delivered to the applicable address noted above either to the individual designated above or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices and communications shall be delivered personally or by facsimile only.


7.13 Governing Law and Courts. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein and the parties hereby attorn to the jurisdiction of the Courts of that Province in relation to the subject matter of this Agreement.

7.14 Time for Acceptance As this Agreement is presented to the Vendor for acceptance, it constitutes an offer to purchase the Purchased Assets on the terms and conditions set forth herein. It is open for acceptance until 5:00 pm March 15, 2011 by signing below where provided and returning a copy of this Agreement so signed by the Vendor prior to the last mentioned date and time.

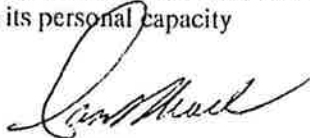
- 16 -
J.P.R.

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the Parties as of the date first written above.

**NORTHLAND PROPERTIES
CORPORATION**

Per: 
signature
ROBERT JOHN DAVALARDI
print name and title of signatory

Meyers Norris Penny Limited, in its capacity as receiver and manager of the assets, undertakings and properties of Squamish JV Ltd. pursuant to an order granted in the Court Action and not in its personal capacity

Per: 
authorised signatory
IAN F. M. R. M., SENIOR VICE PRESIDENT
print name and title

Schedule (A) Definitions

- (a) **"Agreement"** means this agreement, the Recitals hereto and all Schedules attached hereto, in each case, as they may be amended or supplemented from time to time in accordance with this Agreement, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby", and similar expressions, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.
- (b) **"Applicable Law"** means any law (including the common law), ordinance (including any Environmental Laws), rule, regulation, by-law (zoning or otherwise), or Order in effect in British Columbia, all as determined in accordance with the laws in effect in British Columbia, that applies to the subject person, entity, property or securities.
- (c) **"Assumed Contracts"** means the contracts which relate to the registrations described in paragraph C of Part 2 of Schedule "B" hereto.
- (d) **"Assumed Obligations"** has the meaning ascribed thereto in Section 2.5 (b).
- (e) **"Business Day"** means any day other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia.
- (f) **"Clear Title"** means title to the Lands free and clear of:
 - (i) all liens and charges marked with "TBD" in Schedule (D) hereto (copy of title to the Lands), other than mortgage BB922399 and assignment of rents BB922400; and
 - (ii) any charges filed subsequent to January 24, 2011, including Certificate of Pending Litigation number BB1742013 filed by Northwest Steel Metal Ltd. , andsubject only to Permitted Encumbrances.
- (g) **"Closing"** means the completion of the purchase and sale of the Purchased Assets.
- (h) **"Closing Date"** has the meaning as ascribed thereto in Section 6.1.
- (i) **"Closing Adjustment Statement"** means the closing adjustment statement referred to in the last sentence of section 2.2 hereof.
- (j) **"Company"** means Squamish JV Ltd.
- (k) **"Contaminants"** means any pollutant, contaminant, waste, toxic, corrosive or hazardous substance, deleterious substance, dangerous substance, dangerous good

or hazardous or special waste as defined in, or prohibited or regulated by, any Environmental Laws including, without limitation, asbestos, asbestos-containing materials, radioactive materials, urea formaldehyde and PCBs (polychlorinated biphenyls).

- (l) **"Court"** means the British Columbia Supreme Court having jurisdiction in the Court Action, or otherwise with respect to the Purchased Assets.
- (m) **"Vesting Order"** means an Order of a Court of competent jurisdiction granted either in the Court Action or in Supreme Court of British Columbia Action H100866, Vancouver Registry: (i) approving the entry by the Vendor into this Agreement and the consummation of the transactions contemplated hereby; and (ii) vesting in the Purchaser or providing for a vesting in the Purchaser of all the right, title and interest of the Company in the Purchased Assets free and clear of all liens, charges and encumbrances, including without limitation liens that may exist as a result of a non-payment of the Statutory Lien Amounts, but save and except for the Permitted Encumbrances, and save and except for mortgage and assignment of rents registered against the Lands under registration nos. BB922399 and BB922400 (which mortgage and assignment of rents will be dealt with separately from the Vesting Order).
- (n) **"Deposit"** has the meaning ascribed thereto in Section 2.2.
- (o) **"Environment"** means the air above the land, the water (including surface water and groundwater) in, on, adjoining and under the land and the land (including soil, sediments and lands submerged under water) as well as all animals, plants, fish and other species using or living in such areas.
- (p) **"Environmental Laws"** means all federal, provincial, municipal, or local laws, statutes, regulations, by-laws or rules, Orders, permits issued or made by any Governmental Authority, as well as any standards, directions, policies, interpretations, codes, guidelines, or other requirements having the force of law and made by any Governmental Authority, now or hereafter in force, and the common law relating in whole or in part to the protection or preservation of the Environment, human health, occupational health and safety or transportation of dangerous goods and includes those laws, statutes, regulations, by-laws or rules relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, remediation, release or disposal of any Contaminants.
- (q) **"Environmental Liabilities"** means any and all liability, claim, demand, obligation, cause of action, remediation, cost recovery action, investigation, proceeding, Order, violation, damage, Loss, cost, expense, judgment, penalty, or fine asserted by any third party (including, without limitation, any private party or Government Authority), arising out of, or relating to the Environment or Environmental Laws.

K

- (r) **"HI Signage"** means all signs located on the Lands depicting "Holiday Inn" or "Holiday Inn Express".
- (s) **"Improvements"** means the buildings, structures (surface and sub-surface), installations and other improvements, including such fixtures and appurtenances as shall constitute the real property located on the Lands.
- (t) **"Parties"** means the Purchaser and the Vendor, and "Party" means any one of them.
- (u) **"Permitted Encumbrances"** means the legal notations, covenants and easements registered against title to the Lands as of February 24, 2011, and the reservations, provisos, exceptions, and conditions expressed in the original grants of the Lands from the Crown.
- (v) **"Purchased Assets"** means all of the right, title and interest of the Company in and to:
 - (i) the lands described in Schedule (B), Part 1 ("Lands");
 - (ii) the personal property:
 - (A) described in Schedule (B), Part 2 paragraphs A and B; and
 - (B) which is the subject of any of the leases or agreements or security interests which are the subject of the registrations referenced in Schedule (B) Part 2 paragraph C,

it being agreed that all of the same will remain subject to the leases or agreements or security interests referenced in Schedule (B), Part 2 paragraph C,

collectively ("Personal Property");
 - (iii) the permits and consents described or referenced in Schedule (B), Part 3 ("Permits");
 - (iv) the contracts described or referenced in Schedule (B), Part 4 ("Assumed Contracts");
 - (v) the benefit of all prepaid expenses as summarised in a schedule to be provided by the Vendor pursuant to subparagraph 6.2(c) of the Agreement ("Prepaid Expenses"); and
 - (vi) all warranties respecting any of the other Purchased Assets (it being agreed that the Vendor will only provide a general assignment of whatever warranty rights the Company may be entitled to);

but specifically excludes the assets described or referenced in Schedule (B), Part 7 (the "Excluded Assets").

- (w) **"Purchase Price"** has the meaning ascribed thereto in Section 2.2.
- (x) **"Statutory Lien Amounts"** means amounts required to be paid or to be remitted by the Company in respect of taxes, employees' wages, employee deductions and payroll contributions required to be made by an employer in respect of employees' wages which, if not paid, would give rise to a lien against any of the Purchased Assets which would remain as a lien against the Purchased Assets after the Closing.
- (y) **"Taxes"** means all taxes, duties, levies, charges, withholding charges, assessments, reassessments and fees (including interest and penalties on any such amounts), of whatsoever nature or kind lawfully levied, assessed or imposed by any Governmental Authority.
- (z) **"Time of Closing"** means 10:00 a.m., Vancouver time, on the Closing Date or such other time as the Parties agree in writing that the Closing shall take place.

Schedule (B) Purchased Assets

Part 1 – Description of the Lands

Lands and premises in Squamish, British Columbia, legally described as

PID: 027-769-739

Lot 1 Section 3 Township 50 New Westminster District Plan BCP39455

Part 2 – Description of Personal Property

A. all furniture, televisions, beds, radios, fridges, microwaves, fixtures, equipment, outbuildings and other assets situate on the Lands which are used in or relate to the operation of the business on the Lands, For greater certainty, the Purchaser agrees that no accounts receivable are included in the sale;

B. all inventory used in the conduct of the business on carried at the Lands, including without limitation linen, cleaning supplies and all other operating supplies. The Purchaser acknowledges that the Receiver will continue to use the Inventory up to the closing of the transaction contemplated by this agreement and agrees that the Purchaser will acquire such Inventory as there is in the possession of the Receiver at the closing of the transaction; and

C. right, title and interest of the Company in and to assets leased or acquired from or subject to security interests in favour of third parties, as follows:

- third party – Bodkin Capital Corporation; assets – as described in personal property registry base registration no. 347162F;
- third party – Roynat Inc.; assets – as described in personal property registry base registration no. 348711F; and
- third party – North Shore Leasing Ltd.; assets – as described in personal property registry base registration no. 357437F;

provided that:

- (f) if any of the foregoing relate to the HI Signage, then the same shall be excluded from this Agreement in general and this paragraph C in particular; and
- (g) collateral described in personal property registry base registration 379417F is excluded from this Agreement in general and this paragraph C in particular.

Part 3 – Permits

all permits and licenses, if any, to the extent that the same are assignable to a prospective purchaser without consent of the grantor of the license or permit, or where such consent is required then subject to the Purchaser obtaining of such consent.

Part 4 – Intentionally Deleted

Part 5 – Allocation of Purchase Price

Lands	6 %
Improvements	64%
Personal Property (including furnishings)	30%

Part 6 – Charges to be discharged

A. with respect to the Lands – see printout of a search of the Lands attached as Schedule (D), the charges to be discharged are marked with “TBD” on that Schedule (D). The discharge of mortgage BB922399 and assignment of rents BB922400 will be dealt with through obtaining a registrable discharge from Concentra Financial Services Association, the holder of that mortgage and assignment of rents, and the discharge of the remaining charges will be dealt with through the Vesting Order; and

B. with respect to Personal Property – the Vesting Order will provide for a vesting of the Personal Property in the Purchaser free of all right, title and interest of Servus Credit Union, Service Credit Union (being the secured party under personal property registry base registration 803641E);



Schedule (C) - Solicitor's undertaking

1. The monies paid, and the documents provided, to the Vendor's solicitors in accordance with subparagraph 6.4(c) will be paid and provided to the Vendor's solicitors on undertaking as follows:
 - (a) to submit, on the Closing Date, the Vesting Order and the letter authorizing its use (collectively the "Transaction Documents"), and the documents provided pursuant to subparagraph 6.4(c)(iii), for registration at the Land Title Office;
 - (b) to deposit the amount of the Balance (as defined in subparagraph 6.4(c)(i)(A)) into the Vendor's solicitor's trust account (it being agreed that the Vendor's solicitors will be at liberty to pay the rest of the monies for the purposes for which they were paid to the Vendor's solicitors), and to not release such deposited Balance to the Vendor except:
 - (i) after conducting a search of the records of the applicable Land Title Office which confirms that the Lands have been registered in the name of the Purchaser Clear Title; or
 - (ii) an Order of a Court of competent jurisdiction, provided that the Vendor's solicitors will cause notice of any application for such Order to be given to the Purchaser.

and

 - (c) forthwith after release of the Balance monies to the Vendor, to register the Concentra Discharges at the applicable Land Title Office.



Schedule (D) – Printout of search of the Lands

title-BB922398.txt
Date: 24-Jan-2011 TITLE SEARCH PRINT Time: 10:31:54
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP Page 001 of 006
Folio: 280433.00001 TITLE - BB922398

VANCOUVER LAND TITLE OFFICE TITLE NO: BB922398
FROM TITLE NO: BB1033409

APPLICATION FOR REGISTRATION RECEIVED ON: 16 FEBRUARY, 2009
ENTERED: 19 FEBRUARY, 2009

REGISTERED OWNER IN FEE SIMPLE:
SQUAMISH JV LTD., INC.NO. A0071318
71 SKYLINE CRESCENT NE
CALGARY, ALBERTA
T2K 5X2

TAXATION AUTHORITY:
DISTRICT OF SQUAMISH

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 027-769-739
LOT 1 SECTION 3 TOWNSHIP 50 NEW WESTMINSTER DISTRICT PLAN BCP39455

LEGAL NOTATIONS:

HERETO IS ANNEXED EASEMENT BB1033414 OVER THAT PART OF LOT 2,
PLAN BCP39455 INCLUDED IN PLAN BCP39456

HERETO IS ANNEXED EASEMENT BB1033417 OVER THAT PART OF LOT 2,
PLAN BCP39455 INCLUDED IN PLAN BCP39457

HERETO IS ANNEXED EASEMENT BB1033420 OVER THAT PART OF LOT 2,
PLAN BCP39455 INCLUDED IN PLAN BCP39458

PERSONAL PROPERTY SECURITY ACT NOTICE, SEE BB41274

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL
GOVERNMENT ACT, SEE BB672684

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL
GOVERNMENT ACT, SEE BB687433

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE BB922402
FILED 2009-02-16

SUBJECT TO PROVISIO, SEE CROWN GRANT 242857L AS TO PART DERIVED FROM
FORMER LOTS 26A, 27, 28, 29 AND 30

SUBJECT TO PROVISOS, SEE CROWN GRANT K72009

CHARGES, LIENS AND INTERESTS:

NATURE OF CHARGE
CHARGE NUMBER DATE TIME

COVENANT
BT90757 2002-03-20 14:51

REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
THE CROWN IN RIGHT OF BRITISH COLUMBIA

Date: 24-Jan-2011 TITLE SEARCH PRINT Time: 10:31:54
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP Page 002 of 006
Folio: 280433.00001 TITLE - BB922398

REPRESENTED BY MINISTER OF WATER, LAND AND AIR PROTECTION.
BT90757

REMARKS: INTER ALIA
SECTION 219 LAND TITLE ACT.
MODIFIED BY BW70949

COVENANT

title-BB922398.txt

BA167847 2006-02-27 13:33
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BA167847
REMARKS: INTER ALIA

COVENANT
BA167849 2006-02-27 13:34
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BA167849
REMARKS: INTER ALIA

COVENANT
BB665755 2008-05-16 15:03
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BB665755
REMARKS: INTER ALIA

COVENANT
BB1033411 2008-12-17 14:56
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BB1033411
REMARKS: INTER ALIA

EASEMENT
BB1033416 2008-12-17 14:57
REMARKS: PART IN PLAN BCP39457
APPURTENANT TO LOT 2 PLAN BCP39455

EASEMENT
BB1033419 2008-12-17 14:59
REMARKS: PART IN PLAN BCP39458
APPURTENANT TO LOT 2 PLAN BCP39455

MORTGAGE
BB922399 2009-02-16 14:38
REGISTERED OWNER OF CHARGE:
CONCENTRA FINANCIAL SERVICES ASSOCIATION
INCORPORATION NO. A0066503
BB922399

-TRD

ASSIGNMENT OF RENTS
BB922400 2009-02-16 14:38
REGISTERED OWNER OF CHARGE:
CONCENTRA FINANCIAL SERVICES ASSOCIATION
INCORPORATION NO. A0066503

-TRD

Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

Time: 10:31:54
Page 003 of 006

BB922400

MORTGAGE
BB922401 2009-02-16 14:39
REGISTERED OWNER OF CHARGE:
2090782 ONTARIO INC.
INCORPORATION NO. A0067002
BB922401

-TRD

COVENANT
BB1076245 2009-06-10 14:52
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BB1076245

CLAIM OF BUILDERS LIEN
BB40946 2010-02-02 14:15
REGISTERED OWNER OF CHARGE:

-TRD

STEELHEAD INDUSTRIES LTD.
BB40946
REMARKS: INTER ALIA

CLAIM OF BUILDERS LIEN
BB1454198 2010-02-24 09:03
REGISTERED OWNER OF CHARGE:
OLYMPIC ROOFING LTD.
INCORPORATION NO. 671280
BB1454198

-TRD

CLAIM OF BUILDERS LIEN
BB1149113 2010-03-09 12:39
REGISTERED OWNER OF CHARGE:
BLUELINE DRYWALL (WHISTLER IV) LTD.
BB1149113

-TRD

CLAIM OF BUILDERS LIEN
CA1489918 2010-03-16 16:02
REGISTERED OWNER OF CHARGE:
ALLMAR DISTRIBUTORS LTD. DBA ALLMAR INTERNATIONAL
INCORPORATION NO. 33798
CA1489918

TRD

CLAIM OF BUILDERS LIEN
BB45665 2010-03-19 09:27
REGISTERED OWNER OF CHARGE:
ALKA POOL CONSTRUCTION LTD.
BB45665

TRD

CLAIM OF BUILDERS LIEN
BB45667 2010-03-19 09:28
REGISTERED OWNER OF CHARGE:
OTIS CANADA INC.
BB45667

TRD

CLAIM OF BUILDERS LIEN
BB1457844 2010-03-24 09:58
Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

TRD

Time: 10:31:54
Page 004 of 006

REGISTERED OWNER OF CHARGE:
RONA REVY INC.
BB1457844
REMARKS: INTER ALIA

-TRD

CLAIM OF BUILDERS LIEN
BB1250465 2010-03-24 15:01
REGISTERED OWNER OF CHARGE:
PIPELINE MECHANICAL INC.
INCORPORATION NO. 0560506
BB1250465

TRD

CLAIM OF BUILDERS LIEN
BB46612 2010-03-25 10:22
REGISTERED OWNER OF CHARGE:
GRANITE ART MASONRY LTD.
BB46612

TRD

CLAIM OF BUILDERS LIEN
BB1459867 2010-03-31 09:10
REGISTERED OWNER OF CHARGE:
7 STAR SECURITY SERVICES INC.
BB1459867

TRD

CLAIM OF BUILDERS LIEN
CA1509517 2010-03-31 16:18
REGISTERED OWNER OF CHARGE:
COLTER DEVELOPMENTS LTD.
INCORPORATION NO. 668211

TRD

title-BB922398.txt
DOING BUSINESS AS COLTER DEVELOPMENTS
CA1509517

CLAIM OF BUILDERS LIEN
CA1512217 2010-04-01 17:15
REGISTERED OWNER OF CHARGE:
NORTHWEST SHEET METAL LTD.
CA1512217

TBD

CLAIM OF BUILDERS LIEN
BB48410 2010-04-07 14:50
REGISTERED OWNER OF CHARGE:
STUART OLDALE
DOING BUSINESS AS OLDALE & SONS
BB48410

TBD

CLAIM OF BUILDERS LIEN
BB1254522 2010-04-08 14:45
REGISTERED OWNER OF CHARGE:
ALKA POOL CONSTRUCTION LTD.
INCORPORATION NO. 0146467
BB1254522

TBD

CLAIM OF BUILDERS LIEN
BB1255115 2010-04-12 14:35
REGISTERED OWNER OF CHARGE:
NU FRAME INC.
Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

Time: 10:31:54
Page 005 of 006

BB1255115

CLAIM OF BUILDERS LIEN
BB1255116 2010-04-12 14:35
REGISTERED OWNER OF CHARGE:
VALLEY TRUSS LTD.
BB1255116

TBD

CLAIM OF BUILDERS LIEN
BB1255130 2010-04-12 14:56
REGISTERED OWNER OF CHARGE:
635913 B.C. LTD.
DOING BUSINESS AS MUSTANG CONTRACTING CORP.
BB1255130

TBD

CERTIFICATE OF PENDING LITIGATION
BB1464172 2010-04-16 09:49
REGISTERED OWNER OF CHARGE:
PIPELINE MECHANICAL INC.
BB1464172

TBD

CLAIM OF BUILDERS LIEN
BB1257817 2010-04-16 11:47
REGISTERED OWNER OF CHARGE:
GRANT CHEESEMAN
BB1257817

TBD

CLAIM OF BUILDERS LIEN
BB1462763 2010-05-06 11:34
REGISTERED OWNER OF CHARGE:
ALPINE PAVING (1978) LTD.
INCORPORATION NO. 0171364
BB1462763

TBD

CLAIM OF BUILDERS LIEN
BB1463101 2010-05-07 12:29
REGISTERED OWNER OF CHARGE:
GORDON MACKENZIE ARCHITECT INC.
BB1463101

TBD

title-BB922398.txt

CLAIM OF BUILDERS LIEN
BB1661144 2010-05-14 14:53
REGISTERED OWNER OF CHARGE:
BLACK DIAMOND STEEL PRODUCTS LTD.
BB1661144

TBD

CLAIM OF BUILDERS LIEN
BB1277198 2010-06-07 11:21
REGISTERED OWNER OF CHARGE:
FISHER PAINTING LTD.
BB1277198

TBD

CERTIFICATE OF PENDING LITIGATION
BB1671079 2010-06-25 09:49
REGISTERED OWNER OF CHARGE:
BLACK DIAMOND STEEL PRODUCTS LIMITED
Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

TBD

Time: 10:31:54
Page 006 of 006

BB1671079

CLAIM OF BUILDERS LIEN
CA1649332 2010-07-09 13:12
REGISTERED OWNER OF CHARGE:
C & E BUILDING PRODUCTS INC.
INCORPORATION NO. 645797
CA1649332

TBD

CERTIFICATE OF PENDING LITIGATION
BB1170078 2010-07-12 14:47
REGISTERED OWNER OF CHARGE:
2090782 ONTARIO INC.
CAMTREV INVESTMENTS LTD.
LAWSON'S NEW WORLD INC.
ANTHEM SQUAMISH POWER CENTRE LIMITED PARTNERSHIP
BB1170078

TBD

CERTIFICATE OF PENDING LITIGATION
BB1475828 2011-01-06 15:36
REGISTERED OWNER OF CHARGE:
7 STAR SECURITY SERVICES INC.
BB1475828

TBD

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING --

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

Schedule (E) – Form of Lessor Consent

From:

_____ (the “Lessor”)

To:

Northland Properties Corporation (the “Company”)

WHEREAS:

- A. Squamish JV Ltd. as lessee and the Lessor as lessor entered into a personal property lease, a copy of which is attached to this agreement and is hereinafter referred to as the “Lease”;
- B. By an Order made in The Supreme Court of British Columbia Action No. S105562 Vancouver Registry, Meyers Norris Penny Limited was appointed as a receiver and manager of the assets, undertakings and properties of Squamish JV Ltd. (and is hereinafter in such capacity referred as the “Receiver”); and
- C. The Receiver proposes to sell, or has sold, the right, title and interest of Squamish JV Ltd. in and to the Lease and the collateral subject of that Lease to the Company.

NOW THEREFORE this instrument witnesseth that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

- 2. The Lessor hereby warrants to the Company that:
 - (a) all obligations of the Company under the Lease have been fully discharged up to and including _____; and
 - (b) the remaining payments to be made under the Lease are payments to be made starting on _____ and continuing to and including _____, with each such payment being in the amount of \$ _____, not including applicable taxes, for an aggregate total of \$ _____;
- 3. The Lessor hereby consents to the Purchaser acquiring the right, title and interest of Squamish JV Ltd. in and to the Lease and the collateral subject of the Lease and agrees with and covenants in favour of the Company that as long as the obligations of Squamish JV Ltd. under the Lease continue to be performed by the Company, then the Lessor will not in any way interfere with the Company’s use and enjoyment of the collateral subject of the Lease, and the Company may avail itself of all provisions of the Lease.
- 4. The Lessor acknowledges that the Company is relying on this instrument in proceeding with its purchase of the assets which are the subject of The Supreme Court of British Columbia Action No. S105562 Vancouver Registry and agrees that:

- (a) the terms and conditions of this instrument shall enure to the benefit of the Company and its successors and assigns and be binding upon the Lessor and its successors and assigns;
- (b) the Company may rely on a telecopied or scanned and emailed copy of this instrument to the same extent and effect as on a delivered originally signed document;
- (c) this instrument shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein; and
- (d) at the end of the term of the Lease and provided that all payments have been made, the Company shall have the option to purchase the subject matter of the Lease for one dollar.

IN WITNESS WHEREOF the Lessor has caused this instrument to be executed and delivered this _____ day of _____, 2011.

(print name of Lessor)

By: _____
signature

print name and title of signatory

Squamish JV Ltd.
Statement of Cash Flows
For the Period November 24, 2010 to March 11, 2011

Rooms	95
Days	108
Average rate	\$ 99
Occupancy rate	12%
Revenue	<u>\$ 125,139</u>
Wages and benefits	107,765
WCB	382
Supplies	7,797
Breakfast bar	6,812
Franchise fees	5,185
Cable, telephone and internet	4,310
Accounting	12,800
Bank charges and CC commissions	2,178
Office	1,712
Repairs and maintenance	3,450
Memberships and dues	873
Advertising and promotion	2,163
Waste removal	1,288
Electrical	5,628
Natural gas	3,893
Leases	19,836
Insurance and licences	33,298
Revenue consultant	6,000
Appraisal	13,222
Legal fees	4,598
Room tax	827
HST, net	10,755
	<u>254,771</u>
Cash flow used in operations	<u>(129,632)</u>
Pre-receivership costs	
Leases and miscellaneous	36,041
Interim receivership fees	119,401
Disbursements	2,833
Pre-receivership costs	<u>158,275</u>
Net cash flow deficiency	<u>(287,907)</u>
Receiver's borrowings	350,000
Cash, beginning	8,954
Cash, ending	<u>\$ 71,047</u>

title-BB922398.txt
Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

Time: 10:31:54
Page 001 of 006

VANCOUVER LAND TITLE OFFICE TITLE NO: BB922398
FROM TITLE NO: BB1033409

APPLICATION FOR REGISTRATION RECEIVED ON: 16 FEBRUARY, 2009
ENTERED: 19 FEBRUARY, 2009

REGISTERED OWNER IN FEE SIMPLE:
SQUAMISH JV LTD., INC.NO. A0071318
71 SKYLINE CRESCENT NE
CALGARY, ALBERTA
T2K 5X2

TAXATION AUTHORITY:
DISTRICT OF SQUAMISH

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 027-769-739
LOT 1 SECTION 3 TOWNSHIP 50 NEW WESTMINSTER DISTRICT PLAN BCP39455

LEGAL NOTATIONS:

HERETO IS ANNEXED EASEMENT BB1033414 OVER THAT PART OF LOT 2,
PLAN BCP39455 INCLUDED IN PLAN BCP39456

HERETO IS ANNEXED EASEMENT BB1033417 OVER THAT PART OF LOT 2,
PLAN BCP39455 INCLUDED IN PLAN BCP39457

HERETO IS ANNEXED EASEMENT BB1033420 OVER THAT PART OF LOT 2,
PLAN BCP39455 INCLUDED IN PLAN BCP39458

PERSONAL PROPERTY SECURITY ACT NOTICE, SEE BB41274

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL
GOVERNMENT ACT, SEE BB672684

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL
GOVERNMENT ACT, SEE BB687433

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE BB922402
FILED 2009-02-16

SUBJECT TO PROVISIO, SEE CROWN GRANT 242857L AS TO PART DERIVED FROM
FORMER LOTS 26A, 27, 28, 29 AND 30

SUBJECT TO PROVISOS, SEE CROWN GRANT K72009

CHARGES, LIENS AND INTERESTS:

NATURE OF CHARGE
CHARGE NUMBER DATE TIME

COVENANT

BT90757 2002-03-20 14:51

REGISTERED OWNER OF CHARGE:

DISTRICT OF SQUAMISH

THE CROWN IN RIGHT OF BRITISH COLUMBIA

Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

Time: 10:31:54
Page 002 of 006

REPRESENTED BY MINISTER OF WATER, LAND AND AIR PROTECTION.
BT90757

REMARKS: INTER ALIA
SECTION 219 LAND TITLE ACT.
MODIFIED BY BW70949

COVENANT

This is Exhibit B referred to in the
affidavit of Sera Hallett
made before me on this 22nd
day of March 20 11
Vanni Tullu

A Commissioner for taking
Affidavits for British Columbia

BA167847 2006-02-27 13:33
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BA167847
REMARKS: INTER ALIA

COVENANT
BA167849 2006-02-27 13:34
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BA167849
REMARKS: INTER ALIA

COVENANT
BB665755 2008-05-16 15:03
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BB665755
REMARKS: INTER ALIA

COVENANT
BB1033411 2008-12-17 14:56
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BB1033411
REMARKS: INTER ALIA

EASEMENT
BB1033416 2008-12-17 14:57
REMARKS: PART IN PLAN BCP39457
APPURTENANT TO LOT 2 PLAN BCP39455

EASEMENT
BB1033419 2008-12-17 14:59
REMARKS: PART IN PLAN BCP39458
APPURTENANT TO LOT 2 PLAN BCP39455

MORTGAGE
BB922399 2009-02-16 14:38
REGISTERED OWNER OF CHARGE:
CONCENTRA FINANCIAL SERVICES ASSOCIATION
INCORPORATION NO. A0066503
BB922399

ASSIGNMENT OF RENTS
BB922400 2009-02-16 14:38
REGISTERED OWNER OF CHARGE:
CONCENTRA FINANCIAL SERVICES ASSOCIATION
INCORPORATION NO. A0066503

Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

Time: 10:31:54
Page 003 of 006

BB922400

MORTGAGE
BB922401 2009-02-16 14:39
REGISTERED OWNER OF CHARGE:
2090782 ONTARIO INC.
INCORPORATION NO. A0067002
BB922401

COVENANT
BB1076245 2009-06-10 14:52
REGISTERED OWNER OF CHARGE:
DISTRICT OF SQUAMISH
BB1076245

CLAIM OF BUILDERS LIEN
BB40946 2010-02-02 14:15
REGISTERED OWNER OF CHARGE:

STEELHEAD INDUSTRIES LTD.
BB40946
REMARKS: INTER ALIA

CLAIM OF BUILDERS LIEN
BB1454198 2010-02-24 09:03
REGISTERED OWNER OF CHARGE:
OLYMPIC ROOFING LTD.
INCORPORATION NO. 671280
BB1454198

CLAIM OF BUILDERS LIEN
BB1149113 2010-03-09 12:39
REGISTERED OWNER OF CHARGE:
BLUELINE DRYWALL (WHISTLER IV) LTD.
BB1149113

CLAIM OF BUILDERS LIEN
CA1489918 2010-03-16 16:02
REGISTERED OWNER OF CHARGE:
ALLMAR DISTRIBUTORS LTD. DBA ALLMAR INTERNATIONAL
INCORPORATION NO. 33798
CA1489918

CLAIM OF BUILDERS LIEN
BB45665 2010-03-19 09:27
REGISTERED OWNER OF CHARGE:
ALKA POOL CONSTRUCTION LTD.
BB45665

CLAIM OF BUILDERS LIEN
BB45667 2010-03-19 09:28
REGISTERED OWNER OF CHARGE:
OTIS CANADA INC.
BB45667

CLAIM OF BUILDERS LIEN
BB1457844 2010-03-24 09:58
Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

Time: 10:31:54
Page 004 of 006

REGISTERED OWNER OF CHARGE:
RONA REVY INC.
BB1457844
REMARKS: INTER ALIA

CLAIM OF BUILDERS LIEN
BB1250465 2010-03-24 15:01
REGISTERED OWNER OF CHARGE:
PIPELINE MECHANICAL INC.
INCORPORATION NO. 0560506
BB1250465

CLAIM OF BUILDERS LIEN
BB46612 2010-03-25 10:22
REGISTERED OWNER OF CHARGE:
GRANITE ART MASONRY LTD.
BB46612

CLAIM OF BUILDERS LIEN
BB1459867 2010-03-31 09:10
REGISTERED OWNER OF CHARGE:
7 STAR SECURITY SERVICES INC.
BB1459867

CLAIM OF BUILDERS LIEN
CA1509517 2010-03-31 16:18
REGISTERED OWNER OF CHARGE:
COLTER DEVELOPMENTS LTD.
INCORPORATION NO. 668211

DOING BUSINESS AS COLTER DEVELOPMENTS
CA1509517

CLAIM OF BUILDERS LIEN
CA1512217 2010-04-01 17:15
REGISTERED OWNER OF CHARGE:
NORTHWEST SHEET METAL LTD.
CA1512217

CLAIM OF BUILDERS LIEN
BB48410 2010-04-07 14:50
REGISTERED OWNER OF CHARGE:
STUART OLDALE
DOING BUSINESS AS OLDALE & SONS
BB48410

CLAIM OF BUILDERS LIEN
BB1254522 2010-04-08 14:45
REGISTERED OWNER OF CHARGE:
ALKA POOL CONSTRUCTION LTD.
INCORPORATION NO. 0146467
BB1254522

CLAIM OF BUILDERS LIEN
BB1255115 2010-04-12 14:35
REGISTERED OWNER OF CHARGE:
NU FRAME INC.

Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

Time: 10:31:54
Page 005 of 006

BB1255115

CLAIM OF BUILDERS LIEN
BB1255116 2010-04-12 14:35
REGISTERED OWNER OF CHARGE:
VALLEY TRUSS LTD.
BB1255116

CLAIM OF BUILDERS LIEN
BB1255130 2010-04-12 14:56
REGISTERED OWNER OF CHARGE:
635913 B.C. LTD.
DOING BUSINESS AS MUSTANG CONTRACTING CORP.
BB1255130

CERTIFICATE OF PENDING LITIGATION
BB1464172 2010-04-16 09:49
REGISTERED OWNER OF CHARGE:
PIPELINE MECHANICAL INC.
BB1464172

CLAIM OF BUILDERS LIEN
BB1257817 2010-04-16 11:47
REGISTERED OWNER OF CHARGE:
GRANT CHEESEMAN
BB1257817

CLAIM OF BUILDERS LIEN
BB1462763 2010-05-06 11:34
REGISTERED OWNER OF CHARGE:
ALPINE PAVING (1978) LTD.
INCORPORATION NO. 0171364
BB1462763

CLAIM OF BUILDERS LIEN
BB1463101 2010-05-07 12:29
REGISTERED OWNER OF CHARGE:
GORDON MACKENZIE ARCHITECT INC.
BB1463101

CLAIM OF BUILDERS LIEN
BB1661144 2010-05-14 14:53
REGISTERED OWNER OF CHARGE:
BLACK DIAMOND STEEL PRODUCTS LTD.
BB1661144

CLAIM OF BUILDERS LIEN
BB1277198 2010-06-07 11:21
REGISTERED OWNER OF CHARGE:
FISHER PAINTING LTD.
BB1277198

CERTIFICATE OF PENDING LITIGATION
BB1671079 2010-06-25 09:49
REGISTERED OWNER OF CHARGE:
BLACK DIAMOND STEEL PRODUCTS LIMITED
Date: 24-Jan-2011 TITLE SEARCH PRINT
Requestor: (PM63537) FASKEN MARTINEAU DUMOULIN LLP
Folio: 280433.00001 TITLE - BB922398

Time: 10:31:54
Page 006 of 006

BB1671079

CLAIM OF BUILDERS LIEN
CA1649332 2010-07-09 13:12
REGISTERED OWNER OF CHARGE:
C & E BUILDING PRODUCTS INC.
INCORPORATION NO. 645797
CA1649332

CERTIFICATE OF PENDING LITIGATION
BB1170078 2010-07-12 14:47
REGISTERED OWNER OF CHARGE:
2090782 ONTARIO INC.
CAMTREV INVESTMENTS LTD.
LAWSON'S NEW WORLD INC.
ANTHEM SQUAMISH POWER CENTRE LIMITED PARTNERSHIP
BB1170078

CERTIFICATE OF PENDING LITIGATION
BB1475828 2011-01-06 15:36
REGISTERED OWNER OF CHARGE:
7 STAR SECURITY SERVICES INC.
BB1475828

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

Lterm: XPSP0050 BC OnLine: PPRS SEARCH RESULT 2011/01/24
For: PM63537 FASKEN MARTINEAU DUMOULIN LLP 10:32:39

Index: BUSINESS DEBTOR

Search Criteria: SQUAMISH JV LTD.

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 28, 2009 Reg. Length: 5 YEARS
Reg. Time: 16:12:23 Expiry Date: JAN 28, 2014
Base Reg. #: 803641E Control #: B9185364

Block#

S0001 Secured Party: SERVUS CREDIT UNION LTD.
5012 - 49TH STREET, BOX 1410
LLOYDMINSTER AB S9V 1K4

=D0001 Base Debtor: SQUAMISH JV LTD
(Business) 71 SKYLINE CRESCENT NE
CALGARY AB T2K 5X2

This is Exhibit C referred to in the
affidavit of Valeri Tulev
made before me on this 22nd
day of March 2011
Valeri Tulev

A Commissioner for taking
Affidavits for British Columbia

General collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY;
ALL PRESENT AND AFTER-ACQUIRED LICENCES OF THE DEBTOR; AND ALL
PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES,
GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY,
SUBSTITUTIONS, CROPS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND
ANY OTHER FORM OF PROCEEDS.

Registering

Party: BORDEN LADNER GERVAIS LLP
1200-200 BURRARD STREET
VANCOUVER BC V7X 1T2

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 05, 2010 Reg. Length: 5 YEARS
Reg. Time: 07:06:55 Expiry Date: JAN 05, 2015
Base Reg. #: 347162F Control #: B9744865

Block#

S0001 Secured Party: BODKIN CAPITAL CORPORATION
2150 DUNWIN DR, UNIT 1
MISSISSAUGA ON L5L 1C7

D0001 Base Debtor: OSTRANDER BRIAN J
(Individual) 39400 DISCOVERY WAY Birthdate: 62JUL30
SQUAMISH BC V8B 0R5

=D0002 Bus. Debtor: SQUAMISH JV LTD
71 SKYLINE CRES NE
CALGARY AB T2K 5X2

D0003 Bus. Debtor: SQUAMISH JV LTD
39400 DISCOVERY WAY
SQUAMISH BC V8B 0R5

Continued on Page 2

Search Criteria: SQUAMISH JV LTD.

Page: 2

General collateral:

(2) SP-60 WASHER/EXTRACTOR, 200V, 1 SUPP S/N 005017, 005083, (2)

PPRS SEARCH RESULT 2011-01-24 .TXT
DE-75 GAS DRYER, 208-240V/3PH/60HZ S/N 005286, 005288, (1) EXTRA HAND SHEET FOLDER, (6) 12 BU POLY CART W/2SWIVEL CASTERS WITH 625T-12 BACKSAVER, (2) HUEBSCH F/L WASHER WITH/D/N BOX S/N 0812008209, 0812024524, (2) HUEBSCH MDC DRYER N/C,NS 240 S/N 0811007361, 0811007363, (1) SET IN PLACE TRAIN PLUS ANCILLIARY EQUIPMENT, SOFTWARE AND ATTACHMENTS THERETO AND PROCEEDS IN ANY FORM WHATSOEVER THEREFROM, INCLUDING BUT NOT LIMITED TO INSURANCE PROCEEDS. THE ASSETS ALSO SECURE OTHER OBLIGATIONS OF THE DEBTOR TO THE SECURED PARTY UNDER CROSS COLLATERAL PROVISIONS IN SECURITY AGREEMENTS.

Registering

Party: JCLD ONLINE TECHNOLOGIES
16-1375 SOUTHDOWN ROAD STE 322
MISSISSAUGA ON L5J 2Z1

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 05, 2010 Reg. Length: 5 YEARS
Reg. Time: 16:01:31 Expiry Date: JAN 05, 2015
Base Reg. #: 348711F Control #: B9746477

Block#

S0001 Secured Party: ROYNAT INC.
SUITE 300, 666 BURRARD ST.
VANCOUVER BC V6C 2X8

=D0001 Base Debtor: SQUAMISH JV LTD.
(Business) 71 SKYLINE CRESCENT NE
CALGARY AB T2K5X2

D0002 Bus. Debtor: VENTURE WEST HOTELS GROUP LTD.
71 SKYLINE CRESCENT NE
CALGARY AB T2K5X2

D0003 Ind. Debtor: OSTRANDER BRIAN J
71 SKYLINE CRESCENT NE Birthdate: 62JUL30
CALGARY AB T2K5X2

D0004 Bus. Debtor: HOSPITALITY WEST MANAGEMENT GROUP
LTD.
71 SKYLINE CRESCENT NE
CALGARY AB T2K5X2

General Collateral:

TELEVISION(S), AUDIO VISUAL EQUIPMENT, DISPLAY(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Continued on Page 3

Search Criteria: SQUAMISH JV LTD.

Page: 3

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 11, 2010 Reg. Length: 6 YEARS
Reg. Time: 16:11:40 Expiry Date: JAN 11, 2016
Base Reg. #: 357437F Control #: B9755366

Block#

+++ Secured Party: TRIWEST FINANCIAL CORPORATION
 250-6251 GRAYBAR ROAD
 RICHMOND BC V6W 1H3

=D0001 Base Debtor: SQUAMISH JV LTD.
 (Business) 39400 DISCOVERY WAY
 SQUAMISH BC V8B 0R5

D0002 Bus. Debtor: HOSPITALITY WEST MANAGEMENT GROUP
 LTD.
 71 SKYLINE CRES NE
 CALGARY AB T2K 5X2

D0003 Ind. Debtor: OSTRANDER BRIAN JOHN
 39400 DISCOVERY WAY Birthdate: 62JUL30
 SQUAMISH BC V8B 0R5

General collateral:
 HOSPITALITY PHONE SYSTEMS, FRONT DESK PHONE SYSTEMS TOGETHER WITH ALL
 ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,
 ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS THAT ARE GOODS,
 INTANGIBLES, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER,
 INSTRUMENTS, OR MONEY.

Registering
 Party: NORTH SHORE CREDIT UNION
 1100 LONSDALE AVENUE
 NORTH VANCOUVER BC V7M 2H3

----- SECURED PARTY TRANSFER -----

Reg. #: 377576F Reg. Date: JAN 25, 2010
 Reg. Time: 10:27:40
 Control #: B9776043

Base Reg. Type: PPSA SECURITY AGREEMENT
 Base Reg. #: 357437F Base Reg. Date: JAN 11, 2010

Block#

** DELETED **

+++ Secured Party: TRIWEST FINANCIAL CORPORATION
 250-6251 GRAYBAR ROAD
 RICHMOND BC V6W 1H3

*** ADDED ***

S0002 Secured Party: NORTH SHORE LEASING LTD.
 1100 LONSDALE AVENUE
 NORTH VANCOUVER BC V7M 2H3

Continued on Page 4

Search Criteria: SQUAMISH JV LTD.

Page: 4

Registering
 Party: CANADIAN SECURITIES REGISTRATION
 SYSTEMS
 4126 NORLAND AVENUE
 BURNABY BC V5G 3S8

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 26, 2010 Reg. Length: 5 YEARS
 Reg. Time: 08:18:10 Expiry Date: JAN 26, 2015
 Base Reg. #: 379417F Control #: B9777945

Block#

