



NO. H230802  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

**BANK OF MONTREAL**

PETITIONER

AND:

**HARO-THURLOW STREET PROJECTED LIMITED PARTNERSHIP,  
HARO AND THURLOW GP LTD.,  
HARLOW HOLDINGS LTD.,  
1104227 B.C. LTD.,  
CLOUDBREAK HOLDINGS LTD.,  
CM (CANADA) ASSET MANAGEMENT CO. LTD.,  
FORSEED HARO HOLDINGS LTD.,  
1115830 B.C. LTD.,  
TERRAPOINT DEVELOPMENTS LTD.,  
KANG YU ZOU,  
WEI DONG,  
WEI ZOU,  
XIA YU and  
TREASURE BAY HK LIMITED**

RESPONDENTS

**FIRST REPORT OF THE COURT APPOINTED RECEIVER  
OF HARO-THURLOW STREET PROJECT LIMITED PARTNERSHIP, HARO AND  
THURLOW GP LTD., AND HARLOW HOLDINGS LTD.**

**DATED AUGUST 16, 2024**

**PREPARED BY DELOITTE RESTRUCTURING INC.**

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## INTRODUCTION

1. This report (the "**First Report**") is filed by Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as receiver and manager (the "**Receiver**"), without security, of certain lands and assets of Haro-Thurlow Street Project Limited Partnership ("**HTLP**"), Haro and Thurlow GP Ltd. ("**HTGP**"), and Harlow Holdings Ltd. ("**Harlow Holdings**" or the "**Nominee**", collectively with HTLP and HTGP, the "**Debtors**" or the "**Borrowers**").
2. Pursuant to an application made by the Bank of Montreal ("**BMO**"), the Supreme Court of British Columbia (the "**Court**") made an Order dated January 11, 2024 appointing Deloitte as Receiver (the "**Receivership Order**") as of January 12, 2024 (the "**Date of Receivership**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
3. BMO is the first-ranking secured creditor and acts as the agent in a syndicate with the Canadian Western Bank and Meridian Credit Union Limited, collectively referred to as the "**Syndicate**". The Syndicate are the first-ranking lenders to the Debtors and, as of July 26, 2024, the Syndicate was owed approximately \$86.7 million in principal and interest by the Debtors with interest (currently at a per diem rate of approximately \$19,500), fees, and costs continuing to accrue (the "**Syndicate Debt**"). The Syndicate holds various cash collateral and security over the Debtors' assets, along with corporate and personal guarantees (the "**Syndicate Security**"), as detailed later herein.
4. The Receiver's independent legal counsel, Blake, Cassels & Graydon LLP ("**Blakes**"), has completed an independent review of the validity and enforceability of the Syndicate Security with respect to the Nominee and HTLP and has advised that it is valid and enforceable and ranks in priority to the unsecured creditors of the Debtors (the "**Syndicate Security Opinion**").
5. Following the issuance of the Receivership Order, the Receiver issued a statutory Notice and Statement of the Receiver for the Debtors (the "**Notice to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)*.
6. The Receivership Order, together with the Notice to Creditors and various Court materials have been posted on the Receiver's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Haro-Thurlow.aspx> (the "**Receiver's Website**"). The First Report will also be posted to the Receiver's Website after it has been filed with the Court.
7. In addition to this First Report, the Receiver is preparing a confidential supplement to the First Report (the "**First Confidential Report**"), which the Receiver is seeking to be sealed in the Court file.
8. Unless otherwise provided, all other capitalized terms not defined in this First Report are as defined in the Receivership Order.

## Purpose of the First Report

9. The purpose of this First Report is as follows:
  - a. To provide the Court with an overview of the Debtors' business and pertinent background information.
  - b. To report on the Receiver's activities since the Date of Receivership.

- c. To report on the receipts and disbursements in the Receivership Proceedings as outlined in the Receiver's statement of receipts and disbursements from the Date of the Receivership to August 13, 2024 ("**Receiver's R&D**").
- d. To report on the sale process undertaken by the Receiver (the "**Sale Process**") to realize on the Property (as defined later herein).
- e. To provide an overview of the salient terms of the purchase and sale agreement between the Receiver and 1045 Haro Street Limited Partnership ("**Haro LP**" or the "**Purchaser**") dated August 13, 2024 (the "**Haro LP PSA**") that is being presented to the Court for approval.
- f. To report on the Receiver's recommendation regarding the distribution of the net proceeds from the Haro LP PSA to BMO, if approved by the Court.
- g. To support the Receiver's application (to be filed) for the following orders:
  - i. approving the activities of the Receiver as described in this First Report.
  - ii. approving the Haro LP PSA.
  - iii. authorizing and directing the Receiver to complete the transaction pursuant to the Haro LP PSA and carrying out all steps necessary to do so (as further described herein).
  - iv. confirming the beneficial owners of the Property (as defined later herein) and the related partners, if necessary.
  - v. approving and authorizing the Receiver to make a distribution to the Syndicate pursuant to the Syndicate Distribution Amount (as defined later herein).
  - vi. authorizing and directing that the First Confidential Report be filed under seal pending further order of this Court (the "**Sealing Order**").
- 10. The purpose of the First Confidential Report is to provide the Court with further details related to the Sale Process, value of the Property, additional details on the Haro LP PSA and CM PSA (as defined later herein) and the related transaction values and negotiations.

## Terms of reference

- 11. In preparing this First Report, the Receiver has relied upon certain information (the "**Information**"), including financial information provided by i) the Debtors and certain of their affiliates, including Intracorp Projects Ltd. ("**Intracorp**"), the development manager of the property; ii) FirstService Residential BC Ltd. ("**First Service**"), the property manager; iii) real estate brokers contacted by the Receiver; iv) discussions with the Debtors, First Service and the Syndicate; v) and the Reasons for Judgment of The Honourable Madam Justice Fitzpatrick dated January 11, 2024 ("**Reasons**"), the first affidavit of Mr. Peter Mullin of BMO dated October 28, 2023 ("**First Mullin Affidavit**"), and the Petition to the Court of BMO dated October 23, 2023 (the "**Petition**").
- 12. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional*

*Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this Information.

13. All dollar amounts in this First Report are in Canadian dollars, unless otherwise indicated.

## **BACKGROUND AND CAUSES OF FINANCIAL DIFFICULTY**

14. The Debtors' principal asset is the property located at 1045 Haro Street and 830, 838, 842 and 846 Thurlow Street in Vancouver, British Columbia, comprising a rectangular-shaped parcel of land with a total gross surface area of about 43,250 square feet (the "**Lands**"). The Lands include a seven-story, 150-unit residential building and a low-rise, five-unit commercial building and related structures that were both constructed in the 1980's and related improvements over a common underground parking structure (the "**Buildings**" and, together with the Lands, the "**Real Property**").
15. The Debtor's assets also include chattels, appliances, tools, equipment, furniture and other tangible personal property located on the Real Property (collectively, the "**Chattels**") along with the residential and commercial leases in place for the Buildings (the "**Leases**") and service contracts in respect of the Real Property (the "**Service Contracts**"). The Real Property, along with the Chattels, Leases and Service Contracts are collectively referred to as the "**Property**".
16. The Receiver understands that the Debtors were formed for the sole purpose of acquiring the Property in August 2018.
17. The Receiver also understands the following based on the Information:
  - a. HTLP is the beneficial owner of the Property, HTGP is the general partner of HTLP, and Harlow Holdings is the legal owner or nominee of the Property.
  - b. HTLP is beneficially owned by its limited partners: 11044227 B.C. Ltd. ("**110**") with a 45% interest; Forseed Haro Holdings Ltd. ("**Forseed**") with a 45% interest; and Terrapoint Developments Ltd. ("**Terrapoint**") with a 10% interest. Collectively, 110, Forseed, and Terrapoint are referred to as the "**Partners**". The Receiver is not aware of any other parties holding a beneficial interest in the Property.
  - c. 110 is beneficially owned by 1115830 B.C. Ltd. ("**111**"), which is, in turn, beneficially owned by Kang Yu Canning Zou ("**Mr. Zou**"). Mr. Zou serves as a director of HTGP, Harlow Holdings, 110, and 111. Additionally, he is a director of Cloudbreak Holdings Ltd. ("**Cloudbreak**") and CM (Canada) Asset Management Co. Ltd. ("**CM**", collectively with 110, 111 and Cloudbreak referred to as the "**CM Group**").
  - d. Forseed, the members of CM Group and Terrapoint are guarantors of the debt owed to the Syndicate.
  - e. Wei Dong is Mr. Zou's wife and Wei Zou and Xia Yu are Mr. Zou's parents.
  - f. The shareholders of HTGP (111 and Forseed being majority), and Intracorp, an entity related to Terrapoint, a minority shareholder, are parties to a shareholders' agreement dated September 26, 2018.
  - g. The Receiver understands that there is a current legal dispute relating to the Property between Mr. Zou and Treasure Bay HK Limited ("**Treasure Bay**").

- h. Treasure Bay filed an action in the Court as against 111, 110, Mr. Zou, Harlow Holdings and GM International Holding Limited ("**GMIH**"). The Receiver also understands that Treasure Bay is a minority shareholder of GMIH and that Treasure Bay alleges that Mr. Zou breached his fiduciary obligations to GMIH by causing GMIH to advance \$30 million to himself, 111 and 110 without adequate security (the "**TB Action**"). The Receiver also understands that Treasure Bay alleges that the monies were intended to assist Mr. Zou in purchasing the Property.
  - i. The Receiver understands that the TB Action remains ongoing and no determination of Treasure Bay's claims in the TB Action has been made.
- 18. The Receiver understands that the initial plan when the Property was purchased by the Debtors was to affect a redevelopment and construct a 55-story residential condominium tower on the Lands. This plan has been subsequently amended as time has passed and with ongoing negotiations with the City of Vancouver (the "**City**"), as further described later herein.
- 19. The rental of the residential and commercial units in the Buildings is managed by First Service, who is responsible for the day-to-day operations including collecting rent, corresponding with tenants, arranging for ongoing repairs and maintenance, and paying expenses. The Receiver has maintained First Service as the property manager and has been in frequent communication with First Service in regards to the day-to-day operations, maintenance, tenant matters, information requests, and other matters.
- 20. The Receiver understands that 109 of the 160 residential units and two (2) of the five (5) commercial units are currently rented as of the date of this First Report and are subject to the Leases. Certain of the vacant residential units require either minor or major repairs before they can be re-rented. The gross monthly residential rental revenue and the base monthly commercial rental revenue from the Property for July 2024 was approximately \$250,000 and the interest on the Syndicate Debt in July was approximately \$600,000.
- 21. The Reasons indicate that the Debtors purchased the Property in August 2018 for redevelopment for a total cost of approximately \$173.0 million, which included the purchase price of approximately \$165.0 million, plus property transfer tax ("**PTT**"), commissions and other expenses. The Syndicate funded approximately \$94.0 million of the acquisition cost and the Partners provided the remainder through loans. The Partners advanced over \$18.0 million to January 1, 2023 to fund the ongoing operating costs of HTLP and the Partners' total contributions to HTLP were in excess of \$106.0 million by December 2023.
- 22. The Borrowers have indicated that they have not met the redevelopment requirements of the City despite substantial efforts to do so over the past five years and no development permit for the Property has been applied for to date. This delay, along with the significant increase in interest rates and the monthly revenue shortfall, required the Borrowers to negotiate several amendments to the credit agreement in place with the Syndicate. The Receiver understands that the last amendment in September 2022 provided for an extension of the repayment of the Syndicate Debt to August 31, 2023 and in early 2023 the Syndicate indicated that no further extensions were going to be granted.
- 23. As a result of the Syndicate declining to extend the Syndicate Debt repayment past August 31, 2023, the Debtors retained CBRE Limited ("**CBRE**") to solicit offers to sell the Property in the Spring of 2023 (the "**CBRE Prior Listing**"). As outlined in the

Reasons, six different offers were received with purchase prices ranging from \$81.5 million to \$100.0 million and 110 signed a letter of intent with Chard Development Ltd. ("**Chard**") for almost \$93.0 million (the "**Chard LOI**"). As discussed in the Reasons, this transaction was not consummated and subsequent refinancing efforts were unsuccessful. As a result, the Syndicate issued demands for the repayment of the Syndicate Debt.

24. The Receiver understands that the Syndicate negotiated a forbearance agreement with the Borrowers in August/September 2023 that the Syndicate understood was acceptable to the Borrowers, but they refused to sign the agreement and the Syndicate initiated the Receivership Proceedings.
25. Further details on the business operations and affairs of the Debtors, and causes of financial difficulty, are detailed in the First Mullin Affidavit, the Petition, and the Reasons.

## **POWERS OF THE RECEIVER**

26. The Receiver's powers are detailed in paragraph 2 of the Receivership Order and include, among other things, the power to take and maintain possession and control of the Property (as defined in the Receivership Order); the power to manage, operate and carry on the business of the Debtors; and the power to market the Property starting February 24, 2024 (the "**Marketing Start Date**"), with the power to sell the Property effective April 27, 2024 (the "**Initial Sale Approval Date**").
27. As outlined in the Reasons, the Receiver's ability to market and sell the Property were delayed in order to afford the Debtors the ability to redeem the Syndicate Debt. As of the date of this First Report, no redemption of the Syndicate Debt has occurred.
28. The Debtors filed an application for leave to appeal the Receivership Order shortly after the Receivership Order was granted and, pursuant to an agreement reached between the Debtors and the Syndicate (the "**Abandonment of Appeal Agreement**"), it was agreed that the application for leave to appeal would be abandoned and that the Initial Sale Approval Date would be moved from April 27, 2024 to June 17, 2024 (the "**Revised Sale Approval Date**").
29. The Abandonment of Appeal Agreement also required the Receiver to hold in trust any funds held in excess of the Syndicate Debt pending a further order of the Court.
30. Paragraph 22 of the Receivership Order authorizes and empowers the Receiver to borrow up to \$250,000 in funds it deems advisable to fund the Receivership Proceedings (the "**Receiver Borrowings**"). No Receiver Borrowings have been required to date and none are expected to be.

## **OVERVIEW OF THE RECEIVER'S ACTIVITIES**

31. The Receiver's activities since the commencement of these proceedings have included, *inter alia*, the following:
  - a. Prepared and issued the Notice to Creditors.
  - b. Created and updated the Receiver's Website for stakeholders to access the various information related to the Receivership Proceedings.



- c. Corresponded with the Receiver's counsel, Blakes, regarding all aspects of this mandate.
- d. Reviewed BMO's receivership application materials, including the Petition, affidavits and draft Receivership Order.
- e. Prepared correspondence to the Debtors and their affiliates, including Intracorp and First Service, at the outset of these proceedings to request information.
- f. Reviewed the various books and records of the Borrowers.
- g. Arranged to maintain the insurance coverage over the Real Property and added the Receiver as a named insured and loss payee on the existing insurance policy.
- h. Opened a trust account in the name of the receivership estate to facilitate future receipts and disbursements.
- i. Corresponded with the Debtors and their affiliates, including Intracorp and First Service, to obtain information regarding, among other things, historical financials and tax returns, appraisals, and property insurance.
- j. Corresponded with BMO and met with the Syndicate regarding all aspects of the Receivership Proceedings and to provide ongoing updates.
- k. Attended at the Property with First Service to discuss First Service's role, tour the Property, and discuss next steps.
- l. Agreed to continue with First Service as the property manager for the Property pursuant to the existing property management agreement in place with the Debtors.
- m. Corresponded extensively and attended several meetings with First Service regarding the management of the Property, communication with tenants and to request information.
- n. Contacted the City to determine the outstanding property taxes for the Property and coordinated the payment of the unpaid 2023 property taxes and the 2024 property taxes from funds being held by First Service to avoid further penalties and interest.
- o. Reviewed and approved certain payments and corresponding with First Service regarding same.
- p. Reviewed information provided by First Service including information with respect to, among other things, the budget, rent roll, service agreements, leasing reports and capital expenditures.
- q. Implemented the Sale Process which included selecting a broker, reviewing offers, negotiating the Chard PSA and the Haro LP PSA (as herein defined), coordinating due diligence, and all other activities related to the Sale Process as further described herein.
- r. Corresponded extensively with First Service regarding the management of the Property including with respect to maintenance and filling tenant vacancies.
- s. Reviewed First Service's monthly reporting.

- t. Coordinated the preparation of the financial statements and the filing of the outstanding information, tax and/or partnership returns for the Debtors with the external accountants.
- u. Contacted the Canada Revenue Agency ("**CRA**") to review goods and services tax ("**GST**") accounts to facilitate filings for the period after the Date of Receivership.
- v. Responded to information and other requests from the Partners and their counsel and provided updates on the Receivership Proceedings when requested.
- w. Corresponded with various creditors and other stakeholders and provided updates on the Receivership Proceedings.
- x. Drafted this First Report and reviewing all application materials filed in connection with the Receiver's application.
- y. Addressed other matters pertaining to the administration of this mandate.

## **ASSETS**

- 32. As noted above, the Debtors' assets are comprised of the Property.
- 33. The Receiver understands that the Property may have significant redevelopment potential due to its size and location in Downtown Vancouver. A redevelopment scenario compliant with existing view cone and shadowing restrictions under the current zoning provides a gross buildable area of 8.23 times the floor space ratio ("**FSR**"). There may also be an opportunity to increase the development to 10.21 times FSR, subject to approval by the City and relaxation of view cone and shadowing restrictions.
- 34. Additional information on the value of the Property is included in the First Confidential Report.

## **CREDITORS**

### **Secured Creditors**

#### **The Syndicate**

- 35. As outlined previously, the Syndicate is the principal lender and was owed approximately \$86.7 million in principal and interest as of July 26, 2024. Interest has been accruing at a per diem rate of approximately \$19,500 since July 26, 2024 and legal fees and costs were outstanding as at July 26, 2024 and are continuing to accrue.
- 36. The Syndicate Security includes various registered security over all of the Debtors' present and after-acquired real and personal property, including both a first ranking mortgage against the Property and a general security agreement against HTLP and Harlow Holdings' personal property, among other security documentation and guarantees.
- 37. The Syndicate Security also includes various cash collateral. The Receiver understands that in July 2023 the Syndicate held the following cash collateral:
  - a. Approximately \$13.6 million pledged by Forseed (the "**Forseed Cash Collateral**").

- b. Approximately \$1.4 million pledged by 110 (the "**Prior 110 Cash Collateral**").
  - c. Approximately \$3.1 million held in a BMO bank account registered under the name of 110 (the "**Current 110 Cash Collateral**"), a Partner and party related to the CM Group.
  - d. Approximately \$5.6 million held in a BMO bank account registered under the name of CM Grouse Mountain (LP) Ltd. (the "**CM Grouse Cash Collateral**"), a party related to the CM Group.
38. The Receiver understands that the Syndicate applied the Forseed Cash Collateral and the Prior 110 Cash Collateral to its debt after the maturity of the Syndicate debt on August 31, 2023 and the remaining cash collateral as at July 26, 2024 includes the following amounts (the "**Remaining Cash Collateral**"):
- a. The Current 110 Cash Collateral.
  - b. The CM Grouse Cash Collateral.
  - c. Approximately \$518,000 held in a BMO suspense account that was sourced mainly as a result of various rental amounts collected by BMO from the Debtors prior to and at the start of the Receivership Proceedings before funds were redirected to the Receiver (the "**BMO Cash Collateral**").
39. The Receiver understands there may be a dispute between the entities that have provided the Remaining Cash Collateral to BMO and BMO as to the application of the Remaining Cash Collateral to the Syndicate Debt and that BMO reserves all of its rights with respect to all cash collateral.
40. Blakes has completed its Syndicate Security Opinion with respect to the Nominee and HTLP and has advised that the Syndicate Security is valid and enforceable and ranks in priority to the unsecured creditors of the Debtors.
41. The Receiver understands that in August 2024, Forseed commenced litigation against BMO, 110, Terrapoint, and others. The allegations in this litigation include that BMO improperly applied the Forseed Cash Collateral to the Syndicate Debt.

### **The Partners**

42. The Receiver understands that all or a portion of the Partners registered a second-ranking mortgage against the Property in October 2018 (the "**Second Mortgage**"). The current balance of the Second Mortgage has not been confirmed to the Receiver.

### **Treasure Bay**

43. The Receiver understands that Treasure Bay has registered a certificate of pending litigation (the "**TB CPL**") against the Property. The TB CPL was previously registered in 2021 and then re-registered in June 2024.

### **Receivership Proceedings' Charges**

44. The above charges by the secured creditors are subject to certain priority ranking Court-ordered charges and statutory interests, which include:
- a. The Receiver's Charge (as that term is defined in the Receivership Order) which is expected to be nil as the Receiver has excess funds on hand to cover the current

and estimated future fees and costs of the Receivership as outlined in the Receiver's R&D.

- b. The Receiver's Borrowing Charge (as that term is defined in the Receivership Order), which is expected to be nil.
  - c. Certain deemed trust and priority claims which are estimated to be nil.
45. In the event that the Court approves the Haro LP PSA, the Receiver's understanding is that the net realizations from the Haro LP PSA will not be sufficient to repay the Syndicate Debt and there will be a shortfall on the Syndicate Debt (not taking into account any of the cash collateral or other sources of recovery).

### **Unsecured creditors**

46. Based on the Information of the Debtors, as well as correspondence received from creditors, the Receiver estimates that the total unsecured creditors' claims to be approximately \$959,951 for HTLP and \$1,294 for HTGP, totaling \$961,245 as of the Date of Receivership. Intracorp accounts for \$901,812 of the total unsecured debt.
47. The Receiver does not expect the unsecured creditors to receive any distributions based on the Haro LP PSA and the secured charges in place on the Property.

## **THE RECEIVER'S SALE PROCESS**

### **Request for Proposals from Real Estate Brokers**

48. Pursuant to the Receivership Order and after the Marketing Start Date, the Receiver sent a request for listing proposals for the Property (the "**Broker RFP**") to seven (7) real estate brokers on February 27, 2024. All seven (7) brokers are known to the Receiver to have experience in the listing and sale of multi-family and commercial buildings and development properties in British Columbia.
49. The Receiver requested that each broker provide, among other things, background information regarding each firm's general and insolvency related experience, knowledge of the Vancouver and British Columbia real estate markets, a marketing plan for the Property, an estimate of the value of the Property, and the broker's proposed commission structure. The Receiver requested that proposals be submitted by 5:00 pm (PST) on March 11, 2024 (the "**Broker Proposal Deadline**"). A copy of the Broker RFP is attached hereto as **Appendix "A"**.
50. The Receiver established a virtual data room (the "**Receiver VDR**") for interested brokers to review various financial and other information pertaining to the Property. All interested real estate brokers were required by the Receiver to enter into a binding non-disclosure agreement ("**NDA**") with the Receiver prior to being granted access to the Receiver VDR. The NDA set out various customary terms and controls to ensure that information in the Receiver VDR was kept strictly confidential by the interested brokers.
51. A total of four (4) brokers executed NDAs and were allowed access to the Receiver VDR. The Receiver received four (4) proposals from the brokers by the Broker Proposal Deadline.
52. The Receiver arranged meetings on March 13 and 14, 2024 with the three (3) brokers who provided the most comprehensive responses in order to clarify aspects of their proposals. A primary consideration for the Receiver in selecting the broker's to

interview was the depth and completeness of the broker's proposal, national and international reach, and recent experience in marketing and selling large development properties in insolvency scenarios.

### **Selection of Real Estate Broker and Listing Agreement**

53. The Receiver compared the key aspects of each of the three (3) most comprehensive proposals submitted, considered the pros and cons of each, and consulted with the Syndicate.
54. As a result of this analysis and consultation, the Receiver selected CBRE as the broker to list the Property. The reasons for choosing CBRE were as follows:
  - a. CBRE, through the CBRE Prior Listing, had previously conducted a comprehensive marketing process for the Property which included a two-round bid submission process. The marketing campaign was active from March through May 2023, during which CBRE interacted with numerous potential purchasers and received bids from six (6) parties. CBRE had continued to stay in contact with the potential purchasers, including Chard who had entered into the Chard LOI with 110.
  - b. Key considerations for the Receiver in selecting CBRE were its deep knowledge of the potential development value and options for the Property, ongoing dialogue with potential buyers, and speed to market. Further considerations included the following:
    - i. CBRE could mobilize quickly and launch an initial email campaign within 36 hours, with a data room already populated (with some information updates required) and ready to launch.
    - ii. CBRE had recent experience with large-scale, complex land and development transactions in Vancouver and the surrounding market through receivership transactions and/or court processes.
    - iii. Using the same broker as for the last sales process could reduce confusion in the market.
    - iv. The Syndicate was in support of the Receiver retaining CBRE to re-list the Property.
55. The Receiver and CBRE negotiated and entered into a listing agreement on March 20, 2024 (the "**CBRE Listing Agreement**") with the following more significant terms:
  - a. A commission rate of 0.60% payable on the gross selling price of the Property.
  - b. A fee of \$250,000 in the event that the Property was not sold or transferred but rather the outstanding Syndicate Debt was redeemed, in whole or in part, by any of the Debtors, any affiliate of the Debtors or any indirect or direct owner of any of the Debtors or their affiliates prior to a binding agreement for the purchase of the property (only subject to Court-approval but otherwise unconditional) being entered into and increasing to \$300,000 after a binding agreement was in place (the "**CBRE Redemption Fee**").
56. The Receiver and CBRE had several discussions around the CBRE Redemption Fee and the Receiver determined the CBRE Redemption Fee was reasonable based on the potential interest savings with a quicker process, the reduced fees and cost of the Receiver in coordinating and assembling various due diligence information with CBRE

already having most of the information and a deep knowledge of the Property, and the relative size of the fee compared to the transaction value and other market comparables for similar situations with a high risk of redemption. The Syndicate was consulted in regards to and was in agreement with the CBRE Redemption Fee.

57. A copy of the CBRE Listing Agreement is attached hereto as **Appendix "B"**.

### **Pre-marketing Activities**

58. The Receiver worked with CBRE to develop the steps and timing of the Sale Process as generally outlined in the CBRE Listing Agreement.
59. The Receiver and CBRE also assembled and, in some cases, updated information concerning the Property. This included monthly financial statements from First Service, annual operating budgets for the commercial and residential properties, certain service agreements, rent rolls, title searches, commercial lease agreements, certain residential lease agreements, City communications and reports, environmental and geotechnical reports, drawings, plans and renderings for a potential redevelopment, site surveys, and property tax information. CBRE uploaded this information to a virtual data room (the "**CBRE VDR**").
60. CBRE prepared a marketing brochure (the "**CBRE Offering Summary**") and a confidentiality agreement ("**CBRE CA**") which the Receiver reviewed and CBRE updated before the documents were made public. A copy of the CBRE Offering Summary is attached hereto as **Appendix "C"**.

### **Marketing Activities and Offer Solicitation**

61. CBRE distributed the CBRE Offering Summary through two marketing email blasts on March 28, 2024 (the "**First CBRE Email**") and April 16, 2024 (the "**Second CBRE Email**"). The emails went to over 1,600 prospective purchasers with over 2,500 views and over 190 clicks on the CBRE Offering Summary for the First CBRE Email and over 2,100 views and over 65 clicks on the CBRE Offering Summary for the Second CBRE Email. The Second CBRE Email also included a drone video of the Property. The email distribution list included local, national, and international builders, developers, and investors and included parties who expressed interest in the CBRE Prior Listing. The acquisition opportunity was also published in the Vancouver Sun and on RENX.ca. CBRE also directly contacted parties it believed may be interested in the Property.
62. Interested parties were required to sign the CBRE CA to access the CBRE VDR.
63. Nine (9) parties executed the CBRE CA and were provided with access to the CBRE VDR and four (4) parties attended tours of the Property.
64. The Receiver worked with CBRE and Blakes to develop a template purchase and sale agreement (the "**Template PSA**") for potential bidders so they understood the significant terms and conditions for any offers and any changes or revisions could be compared amongst the bidders. The Template PSA included general parameters around, among other things, the amount and timing of any deposits, acceptance dates, condition removal dates, "as is, where is" conditions, and representations and warranties. The Template PSA was uploaded to the CBRE VDR for potential buyers to access and review prior to making offers.
65. Based on discussions with CBRE and market feedback, the Receiver set a bid deadline of May 9, 2024 (the "**Bid Deadline**"). CBRE communicated the Bid Deadline through another email blast on April 18, 2024 which had over 1,800 total views.

## Offer Review and Negotiations

66. Four (4) parties submitted offers on the Bid Deadline using the Template PSA with varying degrees of mark ups.
67. A summary of the offers received (the "**Offer Summary**") is included in the First Confidential Report. The Receiver is of the view that the Offer Summary and the other information in the First Confidential Report should be filed with the Court on a confidential basis and sealed pending further order of the Court or closing of a sale or other transaction as the availability of such information to other parties may negatively impact any future sale process for the Property if a sales or other transaction does not close. In particular, any adverse influence on the value of any future offers in respect of the Property (should the solicitation of further offers prove necessary) would pose a serious risk to the interests of the Debtors' stakeholders, including the Syndicate. It could also potentially hinder the ability of the Receiver to satisfy its duty to maximize the value obtained for the Property. The Offer Summary contains sensitive information, including the identity of bidders and the value of other bids received for the Property, that similarly could adversely impact the future marketability of the Property should that become necessary. The Receiver is not aware of any party that will be prejudiced if the information is sealed at this time. Accordingly, the Receiver believes the proposed Sealing Order is appropriate in the circumstances.
68. On May 15, 2024, the Receiver met with the two parties, including Chard, who submitted the highest bids for the Property. Additional details regarding these offers are described in the First Confidential Report, along with the reasons for the Receiver choosing the Chard offer and proceeding to negotiate the terms of a purchase and sale agreement ("**PSA**") with Chard.

## Purchase and Sale Agreements

### Chard / Haro LP

69. The Receiver, Chard, and their respective legal counsel held several discussions around the terms and conditions of a PSA and a binding PSA was entered into between the Receiver and Chard on June 28, 2024 (the "**Chard PSA**"). Chard waived its due diligence conditions included in the Chard PSA on July 29, 2024 after completing extensive due diligence on the Property which was coordinated by both the Receiver and CBRE with the assistance of First Service.
70. The Receiver, Chard, and their respective legal counsel subsequently negotiated a reverse vesting order ("**RVO**") transaction and on August 13, 2024 the Receiver entered into the Haro LP PSA with Haro LP. The parties agreed that the Haro LP PSA replaced the Chard PSA and that the Chard PSA was no longer in force or effect.
71. The more significant terms of the Haro LP PSA are as follows:
  - a. The assets included are the Property and the shares of Harlow Holdings/the Nominee (the "**Shares**").
  - b. The two (2) deposits paid by Chard pursuant to the Chard PSA transferred to the Purchaser on the same terms.
  - c. The Receiver may choose to advocate, or the Receiver may be compelled to advocate, that the Court consider other offers to obtain the highest price for the Property, and, in this regard, the Receiver gives no undertaking or commitment to the Purchaser to advocate or otherwise express support for the acceptance of the Haro LP PSA.

- d. This is an “as is, where is” sale with no representations or warranties made by the Receiver.
- e. The completion of the transaction is subject expressly to an order (the “**Vesting Order**”) of the Court, which will be either (with defined terms as in the Haro LP PSA):
  - i. a reverse vesting order (the “**Haro LP RVO**”):
    - (i) approving the Haro LP PSA.
    - (ii) vesting all assets whatsoever of the Nominee in a company (“**NewCo**”) to be incorporated by the Receiver prior to the issuance of the RVO, but excluding certain assets (the “**Retained Assets**”) of the Nominee, all of which will be retained by the Nominee and will be free and clear of all claims, charges, interests and liabilities whatsoever other than the Retained Liabilities and the Permitted Encumbrances (as both defined in the Haro LP PSA).
    - (iii) vesting all liabilities whatsoever of the Nominee in NewCo, but excluding certain liabilities of the Nominee, which will be retained by the Nominee.
    - (iv) vesting title to the Real Property, the Leases, and the Chattels in Haro LP, free and clear of all legal notations, charges, liens, interests except only the Permitted Encumbrances.
    - (v) vesting such of the Service Contracts that the Purchaser elects to assume in the Purchaser or such entity as the Purchaser may require.
    - (vi) vesting title to the Shares in the Purchaser or such entity as the Purchaser may require, free and clear of all charges, liens, interests, options to purchase, put options, call options, rights of first refusal or other rights of third parties.
    - (vii) cancelling the existing share certificates in respect of the Shares and authorizing the issuance of new share certificates in respect of the Shares in the name of the Purchaser or such entity as the Purchaser may require.
    - (viii) declaring that all directors and officers of the Nominee are deemed to have resigned as directors or officers of the Nominee and to have released the Nominee from any claims whatsoever against the Nominee.
    - (ix) authorizing the Receiver to execute and deliver, on behalf of the Nominee, all such documents as may be necessary or desirable in connection with the transfer of the Shares to the Purchaser (or its nominee entity), including all such documents as are customary in share transactions in British Columbia.
  - ii. Or, in the alternative and if the Haro LP RVO is not granted, a vesting order (the “**Haro LP AVO**”):
    - (i) approving the Offer to Purchase;
    - (ii) vesting legal and beneficial title to the Real Property, the Leases and the Chattels in the Purchaser (or its nominee, in the case of legal title to the



Real Property)), free and clear of all legal notations, charges, liens, interests except only the Permitted Encumbrances.

(iii)vesting such of the Service Contracts that the Purchaser elects to assume in the Purchaser or such entity as the Purchaser may require.

- f. The Receiver and the Purchaser acknowledge and agree that their preference is for the transaction contemplated by this Offer to Purchase to proceed by way of the Haro LP RVO rather than the Haro LP AVO and that the Receiver will present both to the Court and request that the Court pronounce the Haro LP RVO (rather than the Haro LP AVO) and that the Court pronounce the Haro LP AVO only if it is not prepared to pronounce the Haro LP RVO.
  - g. Until the Vesting Order is pronounced, the Receiver is at liberty to deal with any and all other prospective purchasers of the Property.
  - h. The "**Completion Date**" is within 10 days of the Certified Vesting Order.
  - i. The "**Purchaser's Closing Conditions**," as defined in the Haro LP PSA, are that the Vesting Order shall have been pronounced and be effective as of the Completion Date and there shall be no order from the British Columbia Court of Appeal staying the effect of, altering or overturning the Vesting Order.
  - j. If the Purchaser waives or declares satisfied the Purchaser's Conditions and either (a): the sale of the Property does not complete due to reasons other than a default of the Purchaser, such as the redemption of the Property or the Court deciding not to pronounce the Vesting Order, or (b) the Receiver presents the Haro LP PSA to the Court but another offer is approved by the Court, the Haro LP PSA will terminate, the deposits (and any accrued interest) will be released to the Purchaser and the Receiver will pay to the Purchaser a break fee of \$250,000 (the "**Haro LP Break Fee**"). The Haro LP Break Fee was required by the Purchaser for, among other reasons, the possibility of a redemption of the Syndicate Debt by the Borrowers prior to Court approval. In the Receiver's view, the Haro LP Break Fee is reasonable in the circumstances and is supported by the Syndicate.
  - k. The Receiver shall use reasonable commercial efforts to obtain either the "**Statutory Declarations**" or the "**Court Declarations**", as both defined in the Haro LP PSA, either of which shall be provided to the Purchaser as soon as obtained by the Receiver if obtained prior to the Completion Date. The Receiver understands the Statutory Declarations and Court Declarations are sought by the Purchaser in respect of its obligations with respect to withholding taxes pursuant to section 116 of the *Income Tax Act*.
  - l. As is more comprehensively set out in the Haro LP PSA, irrespective of whether the Statutory Declarations or the Court Declarations are obtained, if credible information comes to the attention of the Purchaser that leads the Purchaser to reasonably conclude that someone other than HTLP has a beneficial interest in the Real Property; and/or that such other beneficial owner or a person who holds a partnership interest in HTLP is a non-resident within the meaning of the *Income Tax Act*, then the Purchaser shall have the option to terminate the Haro LP PSA (the "**Ownership Termination Option**").
72. The Haro LP RVO contemplates certain releases (the "**Releases**"), as outlined in the Haro LP RVO, which include a release in favour of the Receiver (and its directors, officers,

employees, counsel, advisors and representations), the Purchaser, the Nominee, and the Retained Assets (as defined in the Haro LP RVO) relating to:

- a. The Transferred Assets and Transferred Liabilities (as defined in the Haro LP RVO).
  - b. The insolvency of the Borrowers.
  - c. The commencement or existence of these receivership proceedings.
  - d. The completion of the transaction contemplated by the Haro LP PSA.
73. As outlined above, the Purchaser has completed its detailed due diligence, has its financing confirmed, and the only material risk to closing is if the Purchaser exercises the Ownership Termination Option.
74. The Receiver's counsel has written to the Partners and the Debtors requesting the Statutory Declarations. As at the date of this First Report, none have been received.
75. A redacted version of the Haro LP PSA is attached hereto as **Appendix "D"** and an unredacted version of the Haro LP PSA is included in the First Confidential Report.
76. An unredacted copy of the Haro LP PSA will also be provided to the Partners with service of the Receiver's Court materials. While there are limitations on disclosure of the purchase price and deposit amount payable under the Haro LP PSA (as more thoroughly set out in the Haro LP PSA), the Purchaser has consented to disclosure of the unredacted Haro LP PSA to the Partners provided it is disclosed following service of the Receiver's Court materials.

### **CM Group**

77. On July 29, 2024, the Receiver received an unsolicited agreement of purchase and sale dated July 29, 2024 from the CM Haro Limited Partnership, by and through its general partner, 1493645 BC Ltd. ("**149**", the "**CM PSA**"). 149 did not participate in the Sale Process run by the Receiver and CBRE. The Receiver understands that the CM PSA is a joint bid made by certain entities in or related to the CM Group and Terrapoint (one of the Partners). A copy of the CM PSA is included in the First Confidential Report.
78. The Receiver has coordinated and provided various due diligence and other information to the CM Group along with access to the Property through First Service.
79. Subsequent to the receipt of the CM PSA, counsel to 149 provided Blakes with a copy of a conditional commitment letter from a lender dated July 31, 2024 which was later replaced with an updated conditional commitment letter dated August 6, 2024 from the same lender (the "**CM Commitment Letter**").
80. Counsel for 149 asked for feedback from the Receiver on the CM PSA and Blakes sent a response letter on August 8, 2024 outlining the Receiver's concerns with the CM PSA (the "**CM PSA Concerns Letter**"). Blakes had not received a response to the CM PSA Concerns Letter as of the date of this First Report. A copy of the CM PSA Concerns Letter is included in the First Confidential Report.

### **The Receiver's Recommendation**

81. Based on the above, the First Confidential Report, and the information available to the Receiver at the date of this First Report, the Receiver is recommending that the Court approve the Haro LP PSA for the following reasons:

- a. As outlined in this First Report and the First Confidential Report, the Receiver is of the view that the Sale Process was conducted in a comprehensive and commercially reasonable manner and the market was widely canvassed by CBRE, an experienced broker, using strategies commonly used to sell real estate developments. These strategies included, but were not limited to, direct solicitation of investors, builders, and developers in local, national, and international markets.
  - b. The Haro LP PSA provides for a greater recovery than the other offers received in the course of the Sale Process.
  - c. The Purchaser paid a material deposit (the "**Purchaser's Deposit**") and the Haro LP PSA is subject only to the Purchaser's Closing Conditions which are typical conditions to closings found in sales in the course of receivership proceedings. The Haro LP PSA is not subject to financing. The only substantive risk to closing is the Ownership Termination Option.
  - d. The Haro LP Break Fee is reasonable in the circumstances with the size of the transaction and similar transactions in the market.
  - e. The Haro LP PSA purchase prices under both the AVO and the RVO are consistent with the estimated value ranges set out in the listing proposals sought from brokers at the commencement of the Receivership Proceedings.
  - f. The CM PSA contemplates financing provided pursuant to the CM Commitment Letter, which remains conditional, and the Receiver has several other concerns with the CM PSA as outlined in the CM PSA Concerns Letter.
  - g. The Receiver and CBRE do not believe that further time spent marketing the Property will result in a superior transaction.
  - h. The Syndicate is supportive of the Haro LP PSA.
82. The Receiver considered the recent guidance provided by the Canadian courts in the context of other transactions implemented by way of RVOs and has the following comments on the issues raised in recent RVO transactions:
- a. Is an RVO necessary in this case?
    - i. The reason for the Haro LP RVO is for the Purchaser to avoid paying PTT which is payable to the Province of British Columbia on a real estate transaction completed by a sale of the asset. The saving of the PTT will result in a net benefit to the estate and will increase value for creditors. The Haro LP RVO also allows the Purchaser to transfer the Leases and the Service Contracts to the Purchaser without the need for an assignment of these agreements.
  - b. Does the RVO structure produce an economic result at least as favourable as any other viable alternative?
    - i. The Haro LP PSA provides for a sharing of the PTT savings between the Purchaser and the Receiver if the transaction is concluded through the Haro LP RVO and results in more funds available to the Debtors' creditors.
  - c. Is any stakeholder worse off under the RVO structure than they would have been under any other viable alternative?
    - i. The Province of British Columbia would not receive the PTT under the terms of the Haro LP PSA if the transaction is done through the Haro LP RVO. The

Receiver has served the Province of British Columbia taxing authority with this First Report and the application materials.

- ii. Aside from the Province of British Columbia, no stakeholder is worse off under the RVO structure than they would have been under any other viable alternative (specifically, a transaction effected through an approval and vesting order).
- d. Does the consideration being paid for the Property reflect the importance and value of the licenses and permits (or other intangible assets) being preserved under the RVO structure?
  - i. The consideration paid under the Haro LP RVO is higher than the Haro LP AVO due to the sharing in the savings in PTT, which is being preserved through the use of an RVO structure.
- 83. As outlined previously, the Receiver and the Purchaser acknowledge and agree that their preference is for the transaction contemplated by the Haro LP PSA to proceed by way of the Haro LP RVO rather than the Haro LP AVO and that the Receiver will present both to the Court and request that the Court pronounce the Haro LP RVO (rather than the Haro LP AVO) and that the Court pronounce the Haro LP AVO only if it is not prepared to pronounce the Haro LP RVO.
- 84. The two-tier offer structure allows the Purchaser to establish that a dual vesting and limited RVO structure for the sale of the Property is appropriate under the circumstances. It also provides the Receiver, the Court, and the Debtors' other stakeholders with the certainty of a binding offer based on a conventional approval and vesting order structure.
- 85. The Receiver presents both options in the Haro LP PSA to the Court on this basis.
- 86. With respect to the Releases being sought, the Receiver is of the view that:
  - a. The Releases are reasonable and not over-broad.
  - b. The Releases are rationally connected to these Receivership Proceedings and the Receiver's efforts to maximize value for the Property.
  - c. The Releases in favour of the Purchaser, the Nominee and the Retained Assets are necessary to complete an RVO transaction, and to that end are beneficial to the Borrowers and their creditors.
  - d. The parties being released have contributed value to these receivership proceedings.

## **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

- 87. The Receiver's R&D is attached hereto as **Appendix "E"** and reflects the administration of the Receivership Proceedings for the period from the Date of Receivership to August 13, 2024. As at August 13, 2024, the Receiver had an excess of receipts over disbursements held in the Receiver's trust account amounting to \$557,412 which is net of the Purchaser's Deposit.
- 88. The more significant receipts included in the Receiver's R&D are the following:
  - a. The Purchaser's Deposit.

- b. \$880,000 in rental payments from First Service which represent a portion of the commercial and residential rents collected by First Service up to July 31, 2024 that have been forwarded to the Receiver, as further outlined below.
  - c. \$4,590 of interest earned on funds held in the Receiver's trust account.
- 89. The more significant disbursements included in the Receiver's R&D are the following:
  - a. \$165,179 in Receiver's legal fees and costs to June 30, 2024.
  - b. \$137,212 in Receiver's fees and costs to June 30, 2024.
  - c. \$11,273 in net GST and provincial sales tax paid on disbursements by the Receiver and First Service.
  - d. \$10,000 for external accounting services for the preparation of various financial statements and tax returns for the Debtors.
- 90. As outlined previously, First Service manages the Buildings and residential and commercial tenants subject to the Leases and collects rents and pays the various repair, maintenance and other operating costs from separate trust bank accounts. At the Date of Receivership, First Service was paying HTLP an "owners advance" of \$175,000 on or around the 15th of each month (\$125,000 from a portion of the residential rents collected and \$50,000 from a portion of the commercial rents collected) and retaining the excess funds for the operations and for various repairs and maintenance as outlined and approved in the annual budgets. The owners advance was then being swept by BMO each month out of the HTLP bank account to cover a portion of the interest expense on the Syndicate Debt.
- 91. On March 12, 2024 a commercial rent payment allocation of \$50,000 was paid from First Service to HTLP. This payment, along with a January 12, 2024 payment of \$175,000 (which was made after the Date of Receivership), was swept out of the HTLP account by BMO in the normal course. The owner advances, which vary depending on the funds available, have all been forwarded to the Receiver from First Service since this time.
- 92. First Service has paid a total of approximately \$567,000 in property taxes since the Date of Receivership which included approximately \$175,000 in 2023 property tax arrears and all of the property taxes due for 2024. The Receiver understands from the City that there are currently no property tax arrears on the Property.
- 93. As at July 31, 2024, First Service reported holding approximately \$420,000 in funds in its bank accounts which, after the deduction of residential tenant deposits, prepaid rent, and accounts payable and accrued expenses of approximately \$244,000, nets to approximately \$176,000 in available funds. The funds held by First Service will form part of the standard working capital adjustments on the closing of a transaction.

## **PROPOSED DISTRIBUTION**

- 94. As previously indicated, Blakes has completed the Syndicate Security Opinion and has opined that the Syndicate Security with respect to the Nominee and HTLP is valid and enforceable and ranks in priority to the unsecured creditors of the Debtors. On this basis, the Receiver is recommending that any proceeds received on a sale transaction, after the payment of any commissions or break fees and outstanding charges ranking in priority to the Syndicate's Security, including any Receiver's Charge or Receiver's

Borrowing Charge, be paid to the Syndicate up to the amount of the Syndicate's secured debt on closing (the "**Syndicate Distribution Amount**").

95. The Receiver has completed an analysis of the Syndicate Distribution Amount based on the closing of the Haro LP RVO or the Haro LP AVO and an estimate of the Syndicate's debt on closing (the "**Syndicate Distribution Amount Analysis**"). The Syndicate Distribution Amount Analysis is included in the First Confidential Report.

## **RECOMMENDATIONS**

96. Based on the foregoing, the Receiver respectfully requests that the Court grant the Orders cited at paragraph 9(g) of this First Report.

All of which is respectfully submitted at Vancouver, BC this 16<sup>th</sup> day of August, 2024.

### **DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed Receiver and Manager of  
Haro-Thurlow Street Project Limited Partnership, Haro and Thurlow GP Ltd.,  
and Harlow Holdings Inc., and not in its personal capacity



Per: Jeff Keeble, CPA, CA, CIRP, LIT  
Senior Vice-President

## **Appendix "A"**

**Real Estate Broker Request for Proposals dated February 27, 2024**



Deloitte Restructuring Inc.  
410 West Georgia Street  
Vancouver BC V6B 0S7  
Canada

Tel: 604-235-4197  
Fax: 604-602-1583  
[www.deloitte.ca](http://www.deloitte.ca)

**BY E-MAIL**

February 27, 2024

CBRE Limited  
1021 W Hastings St  
Suite 2500  
Vancouver, BC V6E 0C3

Dear Sirs/Mesdames,

**Re: Haro-Thurlow Street Project Limited Partnership ("HTLP"), Haro and Thurlow GP Ltd. ("HTGP"), and Harlow Holdings Ltd. ("Harlow Holdings", collectively with HTLP and HTGP, the "Debtors")**

Pursuant to an order of the Supreme Court of British Columbia (the "**Court**") dated January 11, 2024 and effective January 12, 2024 (the "**Receivership Order**"), Deloitte Restructuring Inc. was appointed receiver and manager (the "**Receiver**"), without security, of certain lands and assets of the Debtors with a legal description of Lot 1, Block 5, District Lot 185, Group 1, New Westminster District Plan EPP85244, PID 030-552-265 (the "**Lands**").

The Debtors' principal asset is a mixed commercial and residential rental building located on the Lands at 1045 Haro Street, Vancouver, British Columbia (the "**Real Property**").

A copy of the Receiver Order is available at <http://www.insolvencies.deloitte.ca/en-ca/pages/Haro-Thurlow.aspx>.

The principal purpose of the receivership proceedings is to solicit offers and complete a transaction for the Real Property. Accordingly, you are invited to submit a proposal to act as the Receiver's agent in connection therewith. **Proposals must be submitted to the Receiver by 5:00 pm (PT) on March 11, 2024.**

Details concerning the process and the content to be included in your proposal are attached as **Appendix "A"** to this letter. A confidentiality agreement is attached as **Appendix "B"**.

Should you have any questions with respect to the above, please contact Jordan Yin, Senior Associate, Deloitte Restructuring Inc., at (604) 640-5089 or [joryin@deloitte.ca](mailto:joryin@deloitte.ca).

Yours very truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed Receiver and Manager of  
Haro-Thurlow Street Project Limited Partnership, Haro and Thurlow GP Ltd.,  
and Harlow Holdings Inc., and not in its personal or corporate capacity

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV  
Senior Vice-President



## **Appendix "A" - Request for Proposals for Real Estate Broker Services**

The Receiver invites proposals to provide real estate broker services for the listing and sale of the Real Property.

### **A. Background**

The Receiver is now accepting proposals ("**Proposals**") from real estate brokers to act as a listing agent to solicit offers for the Real Property.

The terms of any sale process (the "**Sale Process**") and the selection of a realtor(s) are subject to Court approval.

Pursuant to the terms of the Receivership Order, any sale of the Real Property will be subject to Court approval and such approval will not be granted by the Court until after April 26, 2024 (the "**Earliest Sale Approval Date**").

Copies of all Court materials filed in these proceedings are available on the Receiver's website at: <http://www.insolvencies.deloitte.ca/en-ca/pages/Haro-Thurlow.aspx>.

A summary of the Real Property is provided below. Additional information is provided in a data room maintained by the Receiver. Realtors can obtain access to the data room once they sign the confidentiality agreement attached as **Appendix "B"**.

The Real Property, located at 1045 Haro Street, Vancouver, British Columbia, encompasses a rectangular parcel of land with a total gross surface area of approximately 43,250 square feet. This Real Property includes a seven-story residential building and a low-rise commercial building, both of which share a common underground parking structure.

The legal description of the Real Property is Lot 1, Block 5, District Lot 185, Group 1, New Westminster District Plan EPP85244, PID 030-552-265. The rental of the buildings on the Real Property is managed by FirstService Residential BC Ltd.

### **B. Proposal Submission Deadline**

Proposals must be submitted to the Receiver by **5:00 p.m. (PT) on March 11, 2024**. Proposals should be submitted by e-mail to Jeff Keeble, Senior Vice-President, Deloitte Restructuring Inc., at [jkeeble@deloitte.ca](mailto:jkeeble@deloitte.ca) with a copy to Jordan Yin, Senior Associate, Deloitte Restructuring Inc. at [joryin@deloitte.ca](mailto:joryin@deloitte.ca).

### **C. Realtor's Role**

The realtor's role will include, *inter alia*:

- Developing a detailed marketing process, including recommended timelines for the Sale Process (and recognizing the Earliest Sale Approval Date);
- Establishing an estimated value for the Real Property;
- Preparing all marketing materials, with input from the Receiver;
- Setting up and managing a data room for interested parties to access key information pertaining to the Real Property;
- Advertising the Real Property at the agent's expense;
- Obtaining and negotiating confidentiality agreements from interested parties;
- Showing the Real Property to interested parties;
- Qualifying interested parties from a financial perspective;

- Assisting interested parties with their due diligence;
- Assisting the Receiver to assess offers submitted;
- Providing the Receiver with a comprehensive report on the Sale Process, to be relied upon by the Receiver to support the Receiver's report to Court on a recommended transaction; and
- Assisting the Receiver to close a transaction.

#### **D. Proposal Content**

The Proposal must contain the following:

- 1. Work Plan:** all bidders shall provide a detailed work plan.
- 2. Value:** all bidders shall provide an estimate of the value of the Real Property, together with supporting assumptions including a discussion concerning the highest and best use for the Real Property.
- 3. Firm Background and Staff Experience:** all bidders shall provide background information concerning their firm, including the experience of their staff who will be leading this assignment (including résumés for team leaders).
- 4. Bidder's Liability Insurance Certificate:** a copy of the bidder's liability insurance certificate is to be included.
- 5. Compensation Structure:** all Proposals shall indicate the proposed compensation structure.
- 6. Conflict of Interest Statement:** all bidders shall disclose any professional or personal financial interests which could be a possible conflict of interest. In addition, all bidders shall further disclose any arrangements to derive additional compensation.

Please limit the Proposal to a total of twenty (20) pages.

#### **E. Proposal Consideration**

The factors on which each Proposal will be considered include the following:

- Bidder's marketing plan;
- Relevant experience with real estate complexes with development potential;
- Relevant experience with real estate in the Vancouver and surrounding area and experience working with Court appointed officers;
- Depth of reach, including international targets (to the extent applicable);
- Estimate of the value of the Real Property and the underlying assumptions;
- Consideration of the development strategy for the Real Property;
- Professional qualifications of individuals leading the project;
- Compensation structure; and
- Other factors as determined by the Receiver at its sole discretion.

#### **F. Request for Proposal Timetable**

The timetable set out below may be changed by the Receiver at any time.

Issue Date of Request for Proposal	February 27, 2024
Deadline for Questions	March 5, 2024
Deadline for Issuing Addenda	March 8, 2024
Submission Deadline	March 11, 2024 by 5:00 pm (PT)
Follow-up with Shortlisted Proponents	March 12 – 13, 2024
Award of Contract (subject to Court approval)	March 18, 2024

## **Appendix "B" – Confidentiality Agreement**

Deloitte Restructuring Inc.  
410 West Georgia Street  
Vancouver BC V6B 0S7  
Canada

E-mail: jkeeble@deloitte.ca  
Attention: Jeff Keeble

To Whom it May Concern:

**Re: Haro-Thurlow Street Project Limited Partnership ("HTLP"), Haro and Thurlow GP Ltd. ("HTGP"), and Harlow Holdings Ltd. ("Harlow Holdings", collectively with HTLP and HTGP, the "Debtors")**

**WHEREAS** this agreement (the "**Confidentiality Agreement**") is being executed between the Receiver and the Broker (terms as defined below), as entered into as of the date on the last page hereto, for the purpose of providing the Receiver with a proposal (the "**Proposal**") regarding real estate brokerage services concerning the property legally described as Lot 1, Block 5, District Lot 185, Group 1, New Westminster District Plan EPP85244, PID 030-552-265 and the buildings thereon (the "**Real Property**").

**AND WHEREAS** We/I as undersigned (hereinafter referred to as the "**Broker**") request that Deloitte Restructuring Inc., in its capacity as receiver and manager (the "**Receiver**") of the Real Property appointed pursuant to an order of the Supreme Court of British Columbia made on January 11, 2024 and effective January 12, 2024, provide the Broker with certain confidential information relating to the Real Property.

**NOW THEREFORE** for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) and in consideration of the Receiver agreeing to provide the Broker with certain or all of the Information (as defined below), the Broker hereby undertakes and agrees as follows:

- a) To treat and maintain confidentially, such information and any other information that the Receiver, the Debtors, or any of their advisors furnish to the Broker, whether furnished before or after the date of this Agreement, whether furnished orally or in writing or otherwise recorded or gathered, and regardless of whether specifically identified as "confidential", including any documents or copies (paper, electronic or otherwise) and communications thereof contained (collectively, the "**Information**").
- b) Not to use any of the Information for any purpose other than for the exclusive purpose of evaluating the possibility of submitting a listing proposal for the Real Property. The Broker agrees that the Information will not be used in any way detrimental to the Debtors, the Real Property or the Receiver in the performance of its mandate concerning the Real Property and that such Information will be kept confidential by the Broker, its directors, officers, employees and representatives (collectively, the "**Representatives**") and these Representatives shall be informed by the Broker of the confidential nature of such information and shall be directed to treat such information confidentially.
- c) To be held responsible for any breaches of this Confidentiality Agreement by its Representatives, and to advise the Representatives of the confidential nature of the Information, and to provide to those Representatives to which or to whom the Information is provided a copy of this Confidentiality Agreement, and if such Representative is not otherwise bound by restrictions on disclosure and use similar to the obligations hereunder, to have such Representatives agree to be bound by this Confidentiality Agreement.

- d) To transmit, where required, the Information only to those Representatives who need to know the Information for the purposes described herein, who shall be informed by the Broker of the confidential nature of the Information and who agree to be bound by the provisions of this Confidentiality Agreement. On request, the Broker shall promptly notify the Receiver of the identity of each Representative to whom any Information has been delivered or disclosed.
- e) To not supply or disclose any data, communications or documents included in the Information or any Information included therein or any Information hereinafter obtained in the course of or with respect to considering, preparing and providing a Proposal to the Receiver to any corporation, company, partnership or individual or any combination of one or more of the foregoing (any of which are hereby defined as a "**Person**") other than the Broker and its Representatives without the written consent of the Receiver.
- f) The Broker and its Representatives will not, without the prior written consent of the Receiver, disclose to any Person that this solicitation for Proposal is taking place nor disclose of any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.
- g) That any time, at the request of the Receiver, the Broker agrees to promptly return or destroy, without any right of compensation or indemnity, all Information without retaining any copies thereof or any notes relating thereto or reproductions or any part thereof in its possession without regards to the form or format. The Broker will certify as to the return or destruction of all Information and related notes and copies of such information and that no Person has a copy of the Information.
- h) That in the event the Broker is required or requested by legal process to disclose any of the Information, the Broker will provide the Receiver with prompt written notice of such requirement or request so that the Receiver may take such actions as it considers appropriate.
- i) That the Broker agrees that the Receiver and the Debtors make no representations or warranties as to the accuracy or completeness of the Information. The Broker further agrees that neither the Receiver, nor the Debtors or any other author of or Person providing Information shall have any liability to the Broker or any of its Representatives arising from the use of the Information by the Broker or its Representatives.
- j) The Broker represents and warrants that it shall be responsible for any costs associated with its review of the Information. Any consultants, real estate agents/brokers, and/or advisors retained by the Broker shall be required to execute, and to be bound by, this Confidentiality Agreement. The Broker shall retain a copy of such executed Confidentiality Agreement and will provide it to the Receiver immediately following its request.
- k) The Broker and its Representatives acknowledge that the Receiver is acting strictly in its capacity as Receiver and shall have no liability for any action, omission, statement, misstatement, representation, or warranty made within the Information. The Broker and its Representatives further acknowledge that the Receiver shall have no liability for any action, omission, statement, misstatement, representation, or warranty made by itself or its employees to the Broker and its Representatives, absent fraud or willful misconduct.
- l) The Broker shall indemnify the Receiver, any of its employees, and its counsel against any loss, cost, damage, expense, legal fees or liability suffered or incurred by any of them as a result of or in connection with any breach by the Broker or any of its Representatives to whom the Broker discloses Information of any term or provision of this Confidentiality Agreement.

- m) The Broker acknowledges and agrees that the execution and delivery of this Confidentiality Agreement and the delivery of the Information does not give rise to any legal obligation of the Receiver, whether in contract, in negligence or other tort, or by way of fiduciary duty or otherwise. Without limiting the generality of the foregoing, the Broker acknowledges and agrees that the Receiver is not and will not be under any obligation, express or implied, to provide or to continue to provide Information, to entertain any offers or proposals for the purchase or any sale, or to complete a sale or other transaction with the Broker, unless and until a legally binding agreement is delivered and executed which expressly provides for such obligations. Furthermore, the Broker acknowledges and agrees that the Receiver has not and will not give any representations or warranties, either express or implied, concerning the accuracy or completeness of, or otherwise relating in any way to, the Information, and that the Receiver shall not have any liability whatsoever to the Broker or any Representatives for any transaction entered into, or not entered into, or any other act, omission or decision made or taken, relying upon or in any way affected by, the Information.
- n) The Broker agrees that monetary damages would not be a sufficient remedy for any breach of this Confidentiality Agreement by it or its employee or agents and that any court having jurisdiction may enter a preliminary and/or permanent restraining order, injunction or order for specific performance in the event of an actual or threatened breach of any of the provisions of this Confidential Agreement, in addition to any other remedy available to the Receiver or the Debtors. In addition to all remedies available to the Receiver, it is agreed that the Receiver shall be entitled to equitable relief if necessary, including an injunction or specific performance in relation to a breach of this Confidentiality Agreement by the Broker and/or its Representatives.
- o) The Broker hereby agrees to observe all the requirements of any applicable privacy legislation including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) with respect to personal information which may be contained in the Information.
- p) The Broker acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this Confidentiality Agreement and has either received same or expressly waived its right to do so.
- q) This Confidentiality Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Confidentiality 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. Each party hereto irrevocably submits to the exclusive jurisdiction of the Supreme Court of British Columbia sitting in Vancouver, British Columbia, with respect to any matter arising hereunder or related hereto.
- r) This Confidentiality Agreement shall ensure to the benefit of the Receiver and the Debtors and their successors and assigns. Any party must deliver an executed copy of this Confidentiality Agreement by mail or email. This Confidentiality Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
- s) This Confidentiality Agreement shall have a term of two (2) years from the date written below.

DATED at \_\_\_\_\_  
this \_\_\_\_\_ day of \_\_\_\_\_, 2024

("Broker")

\_\_\_\_\_  
Corporate Name (Please Print)

\_\_\_\_\_  
By (Authorized Signing Officer's Signature)

\_\_\_\_\_  
(Officer's Name and Title)

\_\_\_\_\_  
(Broker's Address)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(E-mail Address)

## **Appendix “B”**

**CBRE Listing Agreement dated March 20, 2024**



## EXCLUSIVE LISTING AGREEMENT

**DATED** for reference March 20, 2024

**BETWEEN:**

CBRE Limited ("**CBRE**" or "**Listing Brokerage**")  
1021 West Hastings Street, Suite 2500  
Vancouver, BC V6E 0C3  
Attention: Mr. Tony Quattrin and Mr. Carter Kerzner

**AND:**

Deloitte Restructuring Inc. ( the "**Seller**"), without personal or corporate liability and solely in its capacity as Court-appointed receiver and manager of certain lands and assets of Harlow Holdings Ltd., Haro-Thurlow Street Project Limited Partnership, and Haro and Thurlow GP Ltd. (the "**Debtors**")  
410 West Georgia Street, Suite 1900  
Vancouver, BC V6B 0S7  
Attention: Mr. Jeff Keeble and Mr. Jordan Yin

**RE:**

Municipal Address: 1045 Haro Street and 830, 838, 842 and 846 Thurlow Street, Vancouver, British Columbia  
Legally described as: Lot 1, Block 5, District Lot 185, Group 1 New Westminster District Plan EPP85244, PID 030-552-265 (the "**Property**").

Notwithstanding anything contained in the Agreement, each of Listing Brokerage, and the Seller acknowledges and agrees as follows:

**1. Termination Rights.** The Seller may, without penalty or cost to the Seller, terminate the Agreement at any time if the Listing Brokerage is in default hereunder or under any other agreement with the Seller. In addition, this Agreement shall automatically terminate if: (a) the Supreme Court of British Columbia (the "**Court**") order appointing the Seller and/or the Seller's appointment as receiver and manager of the Property owned by the Debtors is revoked, overturned on appeal, suspended or terminated; and/or (b) the Seller is restricted in or enjoined from dealing with the Property by a court of competent jurisdiction; and/or (c) any of the mortgagees of the Property or any other future lenders are permitted by Court order to enforce their rights and/or remedies against the Property.

**2. Price.** While it is the Seller's intention to obtain the highest and best offer for the Property, the Listing Brokerage acknowledges and agrees that the Seller need not accept the highest offers and/or the best offers or any offer, and that acceptance by the Seller of any offers for the Property are subject at all times to the Seller's approval in its sole and absolute discretion and as well as approval by the Court. No fee, commission or other compensation is payable to the Listing Brokerage in respect of the Property unless and until the sale of the Property has been completed and the Seller is paid in its entirety (other than any portion of the purchase price to be paid by VTB mortgage or similar post-closing payment arrangement).

**3. Holdover Period Commission.** Any fee, commission or other compensation payable to the Listing Brokerage in connection with a holdover period, being six months from the termination of the Agreement ("**Holdover Period**"), shall: (a) only apply to those purchasers who were introduced to the Seller or to the Property by the Listing Brokerage during the Listing Period (as defined below) and who the Listing Brokerage has previously disclosed in writing to the Seller no later than three (3) days following the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Property as the new Listing Brokerage (the "**New Agent**") on the basis of an agreement with the New Agent entered into with respect to the Holdover Period. If the Listing Brokerage had introduced up to a maximum of two (2) different prospective bona fide purchasers to the Seller during the Listing Period (each being a "**Serious Prospect**") and said Serious Prospect had entered into material negotiations with the Seller to purchase the Property, but said material negotiations had not resulted in a binding agreement of purchase and sale, to the extent that each of the Listing Brokerage and the Seller agree in writing to designate said prospective purchaser as a Serious Prospect prior to the expiration of the Listing Period, and so long as the Seller is not prohibited from doing so, and provided that the New Agent has agreed to forego its fee should a sale to a Serious Prospect be completed, the Listing Brokerage shall be entitled to its commission in connection with the transaction being completed with the Serious Prospect upon terms and conditions acceptable to the Seller in their sole and absolute discretion, which transaction must be subject to Court approval and a

binding and unconditional agreement of purchase and sale executed by each of the parties thereto prior to the expiration of the Holdover Period. During the Holdover Period, the Listing Brokerage will not be entitled to any commission, payment or fee as the Seller's agent if the Listing Team (as defined below) represents the purchaser.

**4. Listing Brokerage's Duties.** The Listing Brokerage covenants and agrees with the Seller to:

(a) pursuant to the Seller's instructions as outlined below, offer the Property for sale on an unpriced basis (save and except as described in (b) below with respect to the Multiple Listings Service ("**MLS**"));

(b) if instructed by the Seller, offer the Property for sale on MLS, for which the listed price shall be \$1.00, or as otherwise directed by the Seller ;

(c) unless otherwise agreed by the Seller, diligently market the Property for sale and use commercially reasonable efforts to sell the Property pursuant to the process set out below.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Phase 1 – Marketing Preparation		
Finalize marketing materials	<ul style="list-style-type: none"><li>➤ The Listing Brokerage and the Seller to:<ul style="list-style-type: none"><li>○ prepare a marketing brochure;</li><li>○ populate an online data room;</li><li>○ prepare a Confidentiality Agreement (“CA”); and</li><li>○ prepare a Confidential Information Memorandum (“CIM”).</li></ul></li></ul>	Week 1
Prospect Identification	<ul style="list-style-type: none"><li>➤ The Listing Brokerage will qualify and prioritize prospects; and</li><li>➤ The Listing Brokerage will also have pre-marketing discussions with targeted prospects.</li></ul>	
Phase 2 – Marketing and Offer Solicitation		
Stage 1	<ul style="list-style-type: none"><li>➤ Mass market introduction, including:<ul style="list-style-type: none"><li>○ offering summary and marketing materials printed;</li><li>○ launch of email and social media campaign;</li><li>○ publication of the acquisition opportunity in a regional and national newspaper;</li><li>○ telephone and email canvass of leading prospects; and</li><li>○ meet with and interview bidders.</li></ul></li></ul>	Week 2-7

Stage 2 (concurrent with Stage 1)	<ul style="list-style-type: none"> <li>➤ The Listing Brokerage to provide detailed information to qualified prospects that sign the CA, including the CIM and access to the data room;</li> <li>➤ The Listing Brokerage to facilitate diligence by interested parties;</li> <li>➤ The Seller and legal counsel will prepare a vendor's form of purchase and sale agreement ("PSA") which will be made available in the data room; and</li> <li>➤ The Listing Brokerage to provide weekly updates to the Seller.</li> </ul>	Week 2-7
Stage 3	<ul style="list-style-type: none"> <li>➤ The Listing Brokerage to set a "Bid Date" ; and</li> <li>➤ Prospective purchasers to submit preliminary letters of intent or PSAs.</li> </ul>	Week 7-8
<b>Phase 3 – Offer Review and Negotiations</b>		
	<ul style="list-style-type: none"> <li>➤ Proposal short listing and approval; and</li> <li>➤ 2<sup>nd</sup> Round bids and further bidding - prospective purchasers may be asked to re-submit PSAs on one or more occasions.</li> </ul>	Week 8-9
Selection of Successful Bids	<ul style="list-style-type: none"> <li>➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser.</li> </ul>	Week 9
<b>Phase 4 – Closing</b>		
Sale Approval Application and Closing	<ul style="list-style-type: none"> <li>➤ Motion for sale approval and close transaction; and</li> <li>➤ Transaction completed as soon as possible.</li> </ul>	Week 10-12

In addition to the timelines and process set out above, the Listing Brokerage and the Seller may, if the Seller considers appropriate, engage in a "stalking horse bid process", including negotiating a letter of intent with a stalking-horse bidder and, if appropriate, seeking Court-approval of the same, on timelines and terms to be agreed to between the Listing Brokerage and the Seller.

(d) co-operate with all licensed real estate brokers and agents in the sale of the Property (collectively the “**Co-operating Agents**” and each a “**Co-operating Agent**”), with any commissions or fees paid to any Co-operating Agent to be the sole responsibility of the Listing Broker unless otherwise agreed to in writing by the Seller;

(e) ensure that there is continuity in the assignment of individual staff members and partners to the work performed by the Listing Brokerage under the terms of this engagement. In particular, the Listing Brokerage agrees to ensure that individual staff members originally assigned, including Tony Quattrin Personal Real Estate Corporation, Jim Szabo Personal Real Estate Corporation, Carter Kerzner, Vincent Minichiello, and Anthony Liang (collectively the “**Listing Team**”), to perform work in connection with the Listing Brokerage’s engagement, will each be available and will devote the time required to undertake the assignment contemplated herein;

(f) subject to the instructions of the Seller, to assist the Seller in negotiating binding PSAs, subject to Court approval with those parties identified by the Seller. Only the Seller shall have authority to accept offers and the Listing Brokerage shall not have any authority whatsoever to enter into any sale, financing or other contract on behalf of the Seller and/or to otherwise bind the Seller in any manner whatsoever;

(g) continue to assist the Seller in connection with the sale of the Property and seeking Court approval after the execution of a binding PSA with respect to the same until such sale has been successfully concluded; and

(h) unless the Seller’s written consent is provided in advance, to act solely for the benefit of the Seller in connection with the marketing and sale of the Property and not to have any direct or indirect interest in any entity purchasing or proposing to purchase the Property and not to receive any payments or other benefits from said purchasers or potential purchasers.

**5. Commission Payable to the Listing Brokerage on a Sale of the Property.** The Seller shall pay to the Listing Brokerage upon the successful completion of sale of the Property, a commission payable of 0.60% of the gross selling price (the “**Listing Fee**”). The Seller acknowledges that payment of GST applies on all commissions payable. As it relates to the commission payable, a sale constitutes a sale of the Property, share transaction, exercise of first right to purchase, option or other form of sale or transfer of the rights of the Property provided that such sale or transfer has been approved by the Court. The Seller agrees to notify the Listing Brokerage of the successful completion or closing. The Seller hereby instructs its solicitors and agrees to advise the Court to distribute payment to the Listing Brokerage in the amount noted above directly out of the proceeds of sale in accordance with an accepted agreement of purchase and sale and to have same addressed as a closing cost to the transaction.

**6. Commission Payable to the Listing Brokerage on a Redemption.** Notwithstanding section 5, in the event that the Property is not sold or transferred but rather the outstanding debt owed by the Debtors is redeemed, in whole or in part, by any of the Debtors, any

affiliate of the Debtors or any indirect or direct owner of any of the Debtors or their affiliates, then in that case, the Seller shall pay to the Listing Brokerage upon the successful redemption of the Property the following commission:

- (a) if the successful redemption occurs prior to a binding agreement for purchase of the Property (only subject to Court-approval but otherwise unconditional) being entered into, a commission of \$250,000; and
- (b) if the successful redemption occurs subsequent to a binding agreement for purchase of the Property (only subject to Court-approval but otherwise unconditional) being entered into, but prior to that binding agreement being approved by the Court, a commission of \$300,000.

**6. Acknowledgments.** The Listing Brokerage acknowledges and agrees in favour of the Seller that: (a) the Property is to be marketed and sold on an "as is, where is" basis and, accordingly, any agreement of purchase and sale shall provide an acknowledgment by such purchaser that the Property is being sold by the Seller on an "as is, where is" basis, and that no representations or warranties have been or will be made by the Seller or anyone acting on its behalf, to the Listing Brokerage or such purchaser as to the condition of the Property or any buildings located thereon; (b) in lieu of a transfer/deed of land for the Property, the Seller will vest title to the Property by way of a vesting order; and (c) the sale of the Property requires the prior approval of the Court in the Court's sole and absolute discretion.

**7. Advertisement Expenses & Third Party Consultants.** All advertising and sales promotion shall be subject to the approval of the Seller and all such advertisement and promotional material shall be prepared, published and distributed by the Listing Brokerage and shall be at the expense of the Listing Brokerage. All third-party reports and legal service fees requested and/or approved by the Seller shall be at the expense of the Seller.

**8. Indemnity.** The Listing Brokerage confirms that it owes an obligation to the Seller and its officers, employees and agents (collectively, the "**Indemnified Parties**") to carry out its activities in a competent and professional manner acting reasonably and in good faith. As such, the Listing Brokerage confirms that it owes an obligation to the Indemnified Parties with respect to claims made by third parties against the Indemnified Parties arising out of work performed by the Listing Brokerage or the Listing Brokerage's failure to comply with its obligations hereunder. This indemnity shall survive the expiration or termination of the Agreement.

**9. Confidentiality.** The Listing Brokerage shall treat and shall cause its agents to treat as confidential and shall not disclose, during as well as after the rendering of the service contracted herein, any confidential information, records or documents to which the Listing Brokerage becomes privy as a result of its performance of the Agreement and shall take all necessary steps to ensure the confidentiality of information in the Listing Brokerage's possession or control except for disclosure that may be required for the reasonable performance by the Listing Brokerage of its responsibilities hereunder.

**10. Assignment.** This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

**11. Seller's Capacity.** Notwithstanding the foregoing or anything else contained herein or elsewhere, the Listing Brokerage acknowledges and agrees that approval of the Seller's contemplated sale process (including the retention of the Listing Brokerage) and any transaction or transactions involving a sale of the Property require the prior approval of the Court in the Court's sole and absolute discretion.

**12. Warranty.** Subject to Section 11 above and the remainder of this Section 12, the Seller represents and warrants that the Seller has the exclusive authority and power to execute this Agreement and to authorize the Listing Brokerage to offer the Property for sale. Notwithstanding the foregoing, the Listing Brokerage acknowledges and agrees that the Seller has only limited knowledge about the Property and cannot confirm any third-party interests or claims with respect to the Property such as rights of first refusal, options, easements, mortgages, encumbrances or other otherwise concerning the Property, which may affect the sale of the Property.

**13. Facsimile & Counterparts.** This Agreement and any other agreement delivered in connection therewith, and any amendments thereto, may be executed by facsimile transmittal facilities, or electronic copy in a portable document format or such similar format and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original of this Agreement, or such other agreement or amendment, as the case may be, and shall be deemed to be made when the receiving party confirms this Agreement, or such agreement or amendment, as the case may be, to the requesting party by facsimile or by electronic copy in a portable document format or such similar format. This Agreement may be executed in several counterparts, and each of

which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

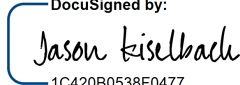
**14. Jurisdiction.** This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia. If any provision hereof is invalid or unenforceable in any jurisdiction where this Agreement is to be performed, such provision shall be deemed to be deleted and the remaining portions of this Agreement shall remain valid and binding on the parties hereto.

**15. Finder's Fees.** The Seller does not consent to the Listing Brokerage or any Cooperating Agents (or their respective affiliates) receiving and retaining, in addition to the commission provided for or otherwise contemplated in this Agreement, a finder's fee for any financing of the Property.

**16. Verification of Information.** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. For greater certainty, none of the Listing Brokerage or the Listing Brokerage's representatives may bind the Seller or execute any documentation on behalf of the Seller. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

**17. Listing Period.** The term of this Agreement shall begin upon acceptance of this Agreement (the "**Commencement Date**") and shall expire one minute before midnight on the six month anniversary of the Commencement Date or upon earlier termination as otherwise prescribed herein. Notwithstanding any other provision in this Agreement, the Listing Brokerage shall not advertise the Property on MLS until the Seller provides expressed authority to do so and all marketing materials have been approved. The Listing Brokerage shall have five (5) days following said approval to post the Property on the MLS.

#### CBRE LIMITED

Per:  DocuSigned by:  
1C420B0538F0477...

Name: Jason Kiselbach

Title: Managing Director

**DELOITTE RESTRUCTURING INC. SOLELY IN ITS  
CAPACITY AS COURT APPOINTED RECEIVER  
AND MANAGER OF HARLOW HOLDINGS LTD.,  
HARO-THURLOW STREET PROJECT LIMITED  
PARTNERSHIP, AND HARO AND THURLOW GP  
LTD. AND NOT IN ITS PERSONAL CAPACITY**

Per:  DocuSigned by:  
F8A33E323177461...

Name: Jeff Keeble

Title: Senior Vice-President

## **Appendix “C”**

### **CBRE Property Offering Summary**



COURT-  
ORDERED SALE

**CBRE**

# 1045 Haro Street

A Downtown Vancouver  
Two-Tower Multifamily  
Redevelopment Opportunity  
with Existing Holding  
Income



Develop Significant  
Scale in Vancouver's  
West End



# Disclosure

## Development Disclosure

The development drawings and statistics presented in this Brochure are based on the rezoning package that was submitted to the City of Vancouver on January 15, 2021 and an architectural package compiled by the Patkau Architects on February 7, 2023. The rezoning application was reviewed against the following plans, policies, guidelines and bulletins (hyperlinked below):

- » [West End Community Plan](#)
- » [Rezoning Policy for the West End](#)
- » [West End – Tower Form, Siting and Setbacks Administrative Bulletin](#)
- » [View Protection Guidelines](#)
- » [Higher Building Policy](#)

THE REZONING APPLICATION PROCESS IS ONGOING AND THE PROJECT HAS NOT YET BEEN APPROVED BY THE CITY OF VANCOUVER AS OF THE DATE OF THIS BROCHURE. THEREFORE, ANY INFORMATION PRESENTED IN THIS BROCHURE IS SUBJECT TO CHANGE AND CITY OF VANCOUVER COUNCIL APPROVAL.

A Policy & Directions Report was submitted to Council by the General Manager of Planning, Urban Design and Sustainability. On July 21, 2022, Council approved the following motion unanimously (see online data room for full Council Policy & Directions Report):

2

THAT Council confirm their support of the objectives of the West End Community Plan, Rezoning Policy for the West End, West End – Tower Form, Siting and Setbacks Administrative Bulletin and the View Protection Guidelines; and direct staff to process the rezoning application to rezone the lands from DD (Downtown District) to CD-1 (Comprehensive Development) District, noting the application does not comply with these policies and the review may result in the General Manager of Planning, Urban Design and Sustainability recommending non-support;

FURTHER THAT the passage of the above resolution will not fetter Council’s discretion to consider this rezoning application or to refer it to public hearing, and does not create legal rights for any person or any obligation on the part of the City; any expenditures of funds or incurring of costs is at the risk of the person making the expenditure or incurring the costs;

FURTHER THAT Council direct staff to pursue additional height and density in the West End Community Plan, for the purposes of providing residential in addition to market rental, noting proposal could exceed the limitations of the view cone guidelines and shadow the West End villages;

FURTHER THAT Council direct staff to reaffirm that the West End – Tower Form, Siting should be treated as a guideline and that Staff are to report back at Referral the incremental shadowing of this project on Robson Street and that Council shall determine the appropriate amount of shadowing;

AND FURTHER THAT Council direct staff to consider additional height and density on the peripheral streets of Burrard, Thurlow, Georgia and Alberni as identified for density in the West End Community Plan, for the purposes of providing significant public benefits.

## Legal Disclaimer

This Brochure has been prepared on behalf of Deloitte Restructuring Inc. ( the “Receiver”), without personal or corporate liability and solely in its capacity as Court-appointed receiver and manager of certain lands and assets of Harlow Holdings Ltd., Haro-Thurlow Street Project Limited Partnership, and Haro and Thurlow GP Ltd. (the “Company”), based on information from the Company, and published sources, and is being furnished through CBRE Limited (“CBRE”), the Receiver’s authorized representatives, for informational purposes and solely for use by prospective purchasers in considering their interest in entering into a proposed transaction with the Receiver.

The information contained herein has been prepared to assist prospective purchasers in making their own evaluation of 1045 Haro Street (the “Project”) and does not purport to be all-inclusive or to contain all information that a prospective purchaser may desire or that may be required in order to properly evaluate the prospects or value of the Project. In all cases, prospective purchasers should conduct their own investigation and analysis of the Project and the data set forth in this Brochure. Any sale of the Project will be subject to approval by the Court.

CBRE has not independently verified any of the information contained herein, and neither the Receiver, CBRE, nor their respective affiliates make any representation or warranty (expressed or implied) as to the accuracy or completeness of this Brochure or any statements, estimates or projections contained herein, and none of them will have any liability for the recipient’s use of this Brochure or any other oral, written or other communications transmitted to the recipient in the course of its evaluation of the Project. This Brochure includes certain statements, estimates and projections provided by, and with respect to the anticipated future rezoning prospects of the Project. Such statements, estimates and projections reflect various assumptions made by the Company concerning anticipated development progress, which are subject to business, economic, and regulatory uncertainties and contingencies, many of which are beyond the control of the Company and which may or may not prove to be correct. None of the Company or CBRE or their respective representatives undertake any obligation to update forward-looking statements to reflect developments or information obtained after the date hereof and disclaims any obligation to do so.

This Brochure does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. The information contained in this Brochure is not intended to constitute a “report, statement or opinion of an expert” for purposes of any securities legislation or otherwise. This Brochure does not purport to contain all of the information that may be required to evaluate any proposed transaction.

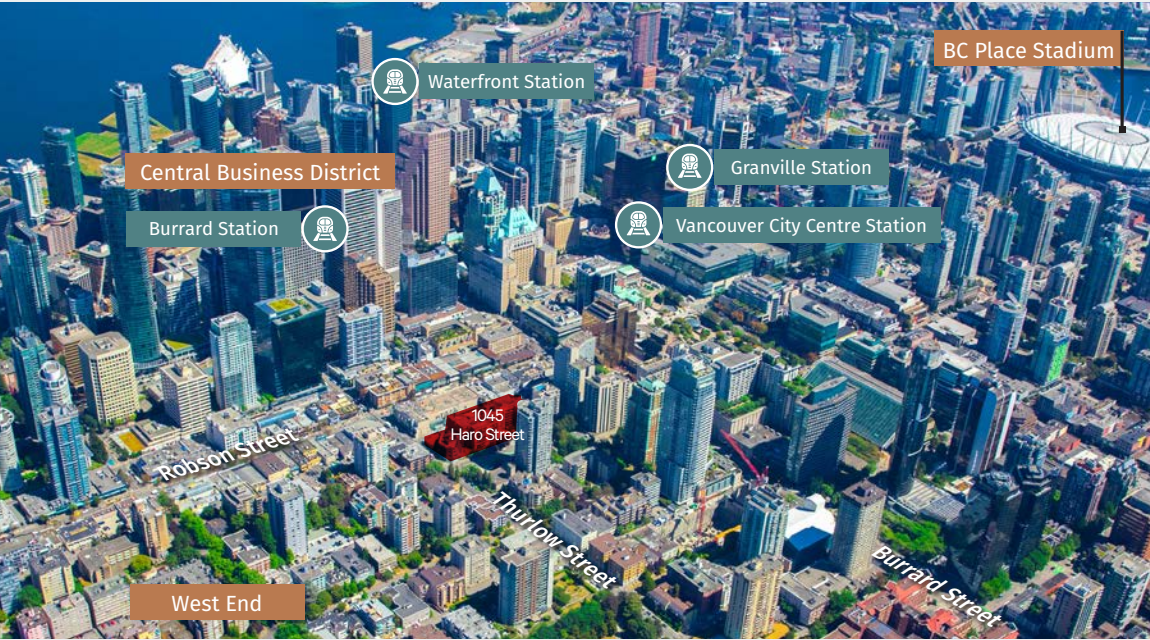
Unless otherwise noted, all dollar figures in the Brochure are presented in Canadian dollars.



# Executive Summary

A high-rise multifamily redevelopment opportunity with existing holding income located in Vancouver’s West End

- » 1045 Haro Street (the “Property” or the “Site”) is an excellent mixed-use residential redevelopment opportunity located in the heart of Downtown Vancouver.
- » The Site presents the opportunity to add significant residential scale to Vancouver’s West End, with existing preliminary plans for 500,000+ sq. ft. of gross buildable area, upon relaxation of view cone and shadowing restrictions, subject to obtaining approval for an application to the City of Vancouver Planning Department.
- » However, a more conservative proposal compliant with existing view cone restrictions has also been explored, which comprises two 21-storey towers with a four-storey podium.
- » 1045 Haro is centrally located half a block south of Robson Street at the intersection of Haro Street and Thurlow Street, within the Robson Street shopping district, and is just steps to transit and an abundance of retail, dining, and other commercial amenities. A future redevelopment will benefit from prime retail space in the podium.
- » The Site offers high visibility and exposure, with 330 ft of frontage along Haro Street and 131 ft of frontage along Thurlow Street.
- » 1045 Haro Street currently offers excellent existing holding income, as it is improved by a residential rental apartment building and a commercial retail building.
- » The Purchaser has the opportunity to preserve latent land value through holding (and renovating) the existing property. By leasing the vacant rental units at market rental rates upon renovation, the Purchaser has the potential to achieve excellent income growth.
- » Any offers to purchase the Property will be subject to Court approval.



## Resilient market with strong demand for residential product

- » Downtown Vancouver is experiencing significant population growth, underpinned by the influx of approximately ±100,000 net migrants expected to enter the Province per year over the next three years.
- » The average rental rate for a 1-bedroom unit in Downtown Vancouver is currently \$2,815<sup>[1]</sup>.
- » The average rental apartment vacancy rate in Downtown Vancouver is 1.4%<sup>[2]</sup>.

[1] Liv.Rent March 2024 Metro Vancouver Rent Report  
[2] CMHC 2024 Rental Market Report

## Exceptional location well-suited for premium retail and commercial activities

- » Excellent visibility and easy accessibility from major transportation routes and just steps to rapid transit options.
- » Favourable demographic profile of affluent local residents and visitors with strong purchasing power and disposable income.
- » Adjacent to Vancouver’s most prime shopping districts along Robson Street and Alberni Street; surrounded by upscale retailers, luxury hotels, restaurants, and entertainment venues.

Address	1045 Haro Street Vancouver, B.C.
Site Size	43,258 SF (0.99 acres)
Current Zoning Density Allowance	DD: Downtown District Area E: 3.0x FSR Area G: 6.0x FSR
OCP	Area E of Burrard Corridor, as captured in West End Community Plan
Existing Improvements	7-storey residential building and 3-storey commercial building
Existing Unit Count	Residential: 160 (114 occupied/46 vacant) Commercial: 5 (4 occupied/1 vacant) <sup>[3]</sup>
Existing Net Operating Income	\$1,770,000 <sup>[4]</sup>
Stabilized Net Operating Income	Residential: \$2,760,000 <sup>[5]</sup> Commercial: \$407,000 <sup>[6]</sup> Total: \$3,167,000
Proposed Development <sup>[7]</sup>	One 56-storey strata condominium tower One 14-storey rental tower A 2-level retail podium
Proposed Public Amenities <sup>[7]</sup>	A 49-space childcare facility A public plaza
Proposed Gross Buildable Area <sup>[7]</sup>	Up to 501,753 SF
Proposed FSR <sup>[7]</sup>	Up to 10.21x FSR
Proposed Number of Residential Units <sup>[7]</sup>	Up to 509

<sup>[3]</sup>Unit 850 is currently the only vacant unit, with Unit 830 expiring on May 4, 2024. The tenant in Unit 846, which is expiring in June 2024, has expressed interest in extending their tenancy. Contact agents for details.  
<sup>[4]</sup>Existing income is calculated based on the occupied units only, with Unit 850 stabilized at \$30.00 PSF market rates. There is an expression of interest to lease Unit 830, therefore CBRE has assumed the existing lease terms for a one year extension. Contact agents for details.  
<sup>[5]</sup>CBRE has stabilized the vacant residential units at market rental rates while applying a \$25,000 renovation budget to each vacant unit.  
<sup>[6]</sup>CBRE has stabilized Unit 850 at \$30.00 PSF market rates.  
<sup>[7]</sup>Subject to approval by the City of Vancouver, upon relaxation of view cone and shadowing restrictions.



# Development Overview

## Rezoning Concept (Non-Compliant)

56-Storey West Tower (Market Condo), 14-Storey East Tower (Market Rental) & 2-Storey Retail Podium

There is a rezoning application prepared that outlines proposed plans for a two tower development, comprising one 56-storey strata condominium tower and one 14-storey rental tower, inclusive of a two-level retail podium. The plans propose a development of 10.21x FSR, and a total of 501,753 sq. ft. of gross buildable area. The proposed plans are subject to approval by the City of Vancouver as well as relaxation of view cone and shadowing restrictions.

Proposed Density	Gross Area	Net Area
Residential Condo	391,407 SF	310,553 SF
Residential Market Rental	51,891 SF	38,436 SF
Daycare	7,957 SF	6,651 SF
Commercial Retail	50,498 SF	42,762 SF
Total	501,753 SF	398,402 SF
Total FSR Exclusions	60,044 SF	
Total FSR Area	441,709 SF (10.21x FSR)	

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- Chisel-shaped building to minimize view cone impact.
- West Tower: 550' market condo tower (56 storeys).
- East Tower: 205' market rental tower (14 storeys).
- Commercial podium including AAA retail, daycare, and resident amenities, with both indoor and outdoor space.
- Mid-block pathway to activate new retail and public plaza.



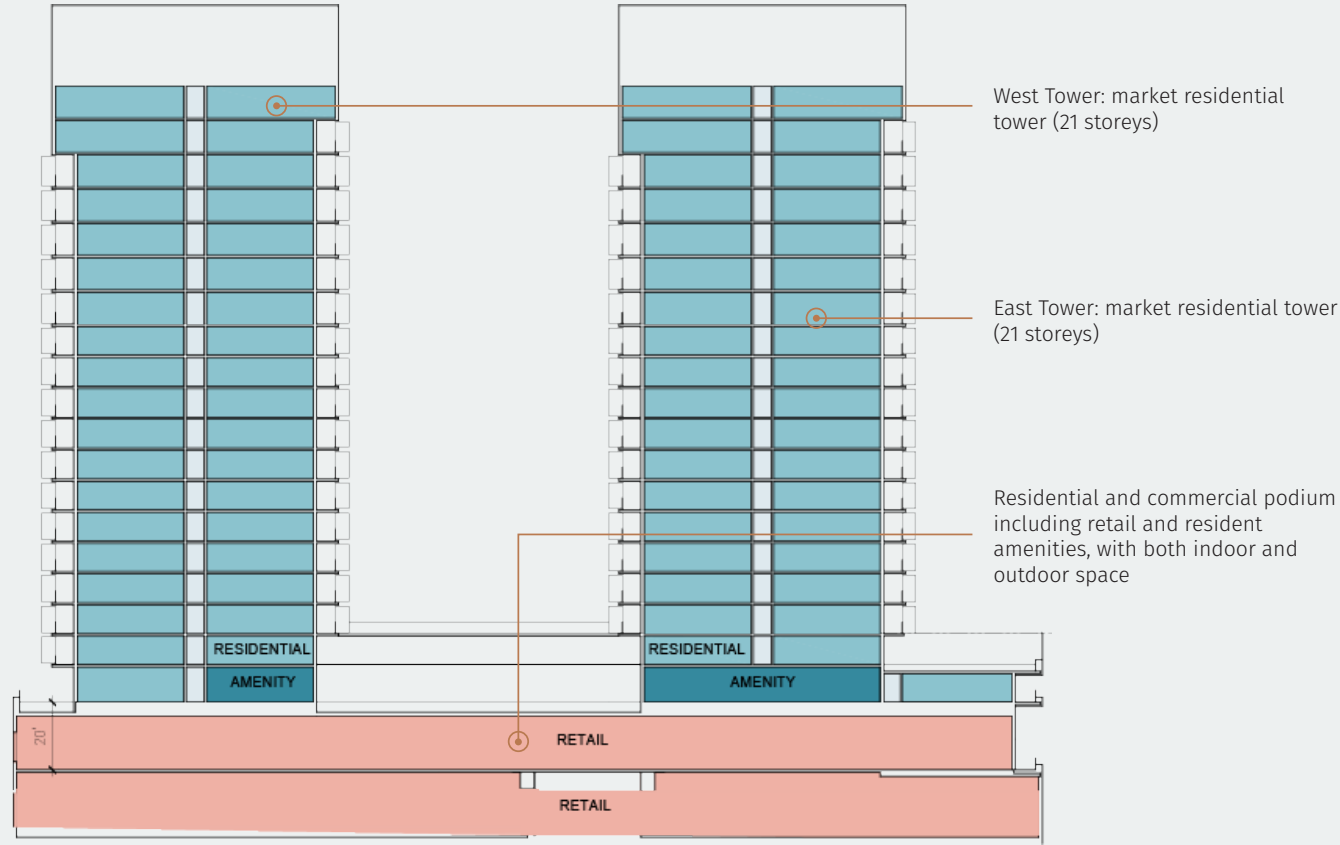
## Rezoning Concept (Compliant)

Two 21-Storey East and West Towers (Market Residential) & 4-Storey Retail Podium (2-Levels of Retail)

An alternative redevelopment scenario has been explored which is compliant with existing view cone and shadowing restrictions under the current zoning. This redevelopment scenario outlines two 21-storey market residential towers comprising 357 units. The plans also include a four-storey podium comprising retail space on the first two levels, and residential and amenity space on levels 3 and 4. The redevelopment concept totals 370,551 sq. ft. of gross buildable area and a total of 8.23x FSR. Please note that the rezoning concepts outlined convey only two of many possible development options; a Purchaser/Developer may pursue a development form outside of the concepts outlined.

Proposed Density	Gross Area	Net Area
Residential	312,941 SF	241,748 SF
Commercial Retail	57,610 SF	48,969 SF <sup>[1]</sup>
Total	370,551 SF	290,717 SF
Total FSR Exclusions	14,729 SF	
Total FSR Area	355,822 SF (8.23x FSR)	

<sup>[1]</sup>CBRE has assumed the same 85% efficiency as the more detailed proposed plans.



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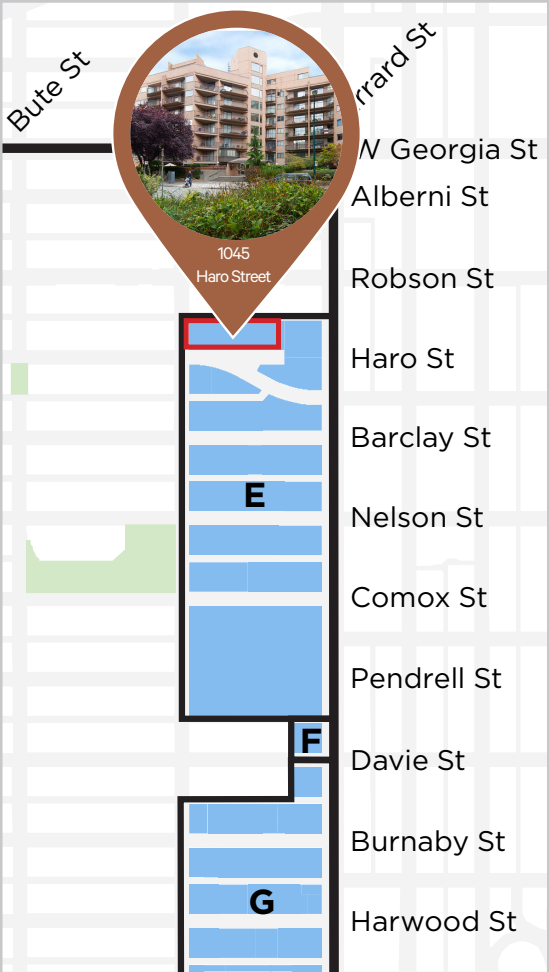
# Zoning Overview

## West End Community Plan (WECP) Burrard Corridor

- » The Site is located in the Burrard Corridor of the WECP. Under this plan, building heights should not exceed view corridor limits (except in accordance with the General Policy for Higher Buildings).
- » However, where not restricted by view corridors, building heights can be considered up to a maximum of **550 feet (Area E)**, 375 feet (Area F), and 300 feet (Area G).
- » Building heights are subject to other policies, bylaws, and urban design considerations.
- » In Areas 'E', 'F', and 'G', rezoning applications to increase density can be considered. Where an application includes a residential component, density increases will be considered to support the Public Benefits Strategy for sites within the Downtown Official Development Plan (ODP).
- » Maximum redevelopment on the Site is subject to the ODP and View Cones, whichever is more restrictive. It's important to note that the Site's existing zoning does not accommodate the Rezoning Concept.



Burrard Corridor:  
Areas 'E', 'F', and 'G'

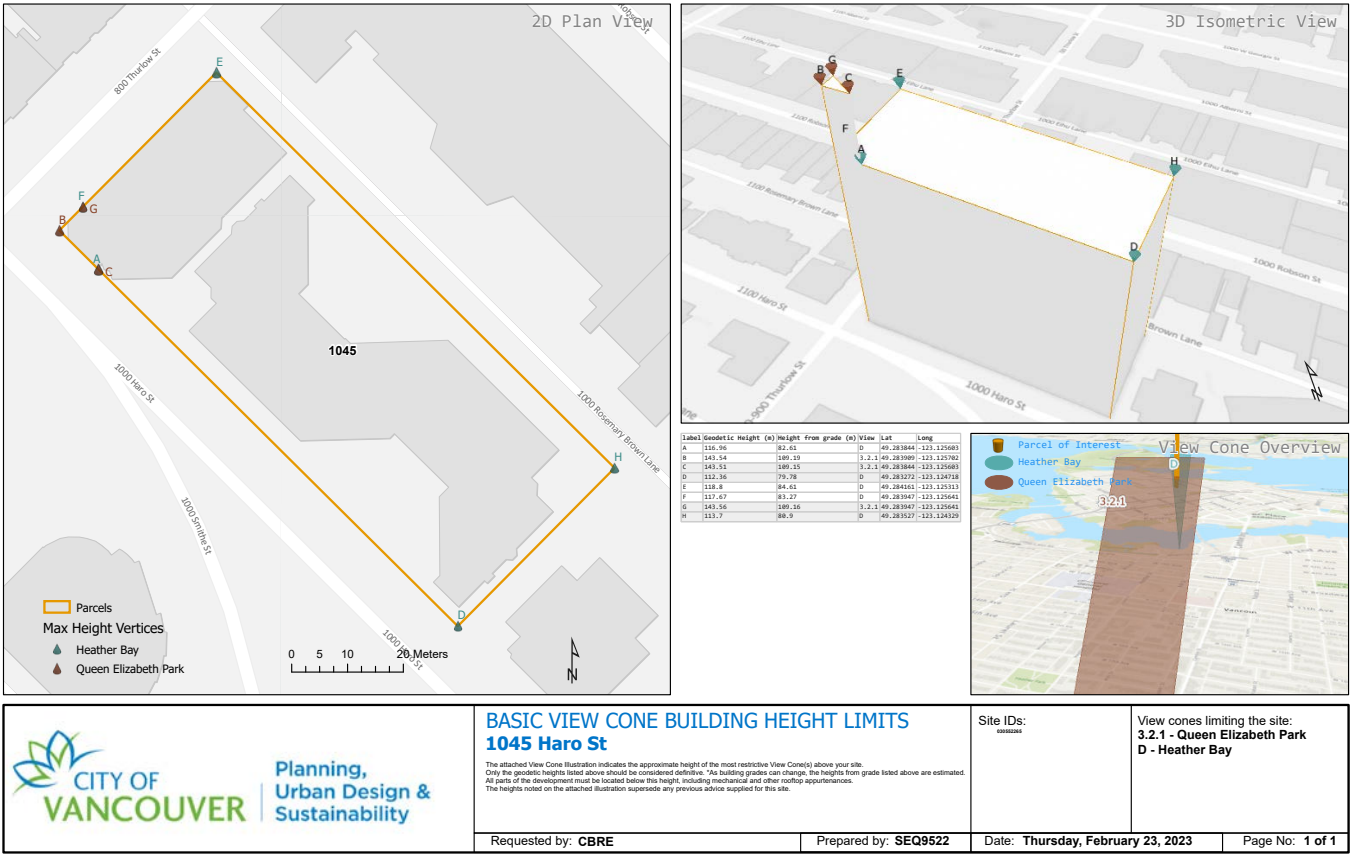


## Downtown District (DD)

- » The Site is currently zoned Downtown District (DD), with the site spanning across two different areas of the DD zoning, Area E and Area G.
- » Area E: permitted uses include hotel, commercial, office commercial, dwelling use existing as of March 26, 2015, and other select uses.
- » Area G: permitted uses include hotel, commercial, office commercial, residential, and other select uses. The total density for all permitted uses shall be an FSR of of 6.00 (except that office uses shall not exceed an FSR of 5.00).
- » The potential achievable height on the Site is impacted by two view cones (3.2.1 “Queen Elizabeth Park to the Downtown skyline and North Shore Mountains” and view cone D “Heather Bay to the Lions”), which indicate that the maximum achievable height on the Site is approximately 258 feet.

# View Cone Study

Please find a copy of the view cone study below, and available in the online data room.





# Existing Improvements

- » The Site is currently improved with an 7-storey residential rental building and a 3-storey commercial building over an underground parkade with 107 parking stalls.

## Residential Overview

- » The residential building is comprised of 160 residential rental units for a total of 96,407 sq ft. of net rentable area.
- » The residential unit breakdown is as follows: 26 studio units, 92 one-bedroom units, and 42 two-bedroom units.
- » The existing improvements will provide holding income through the rezoning application and development processes. Alternatively, the Purchaser has the opportunity to preserve latent land value through holding and renovating the existing property.
- » There are 46 vacant units, which have been estimated to cost between \$5,000 and \$20,000 each to renovate to a rentable standard.
- » Upon renovation, the Purchaser may lease the vacant rental units at market rental rates, presenting income growth potential.

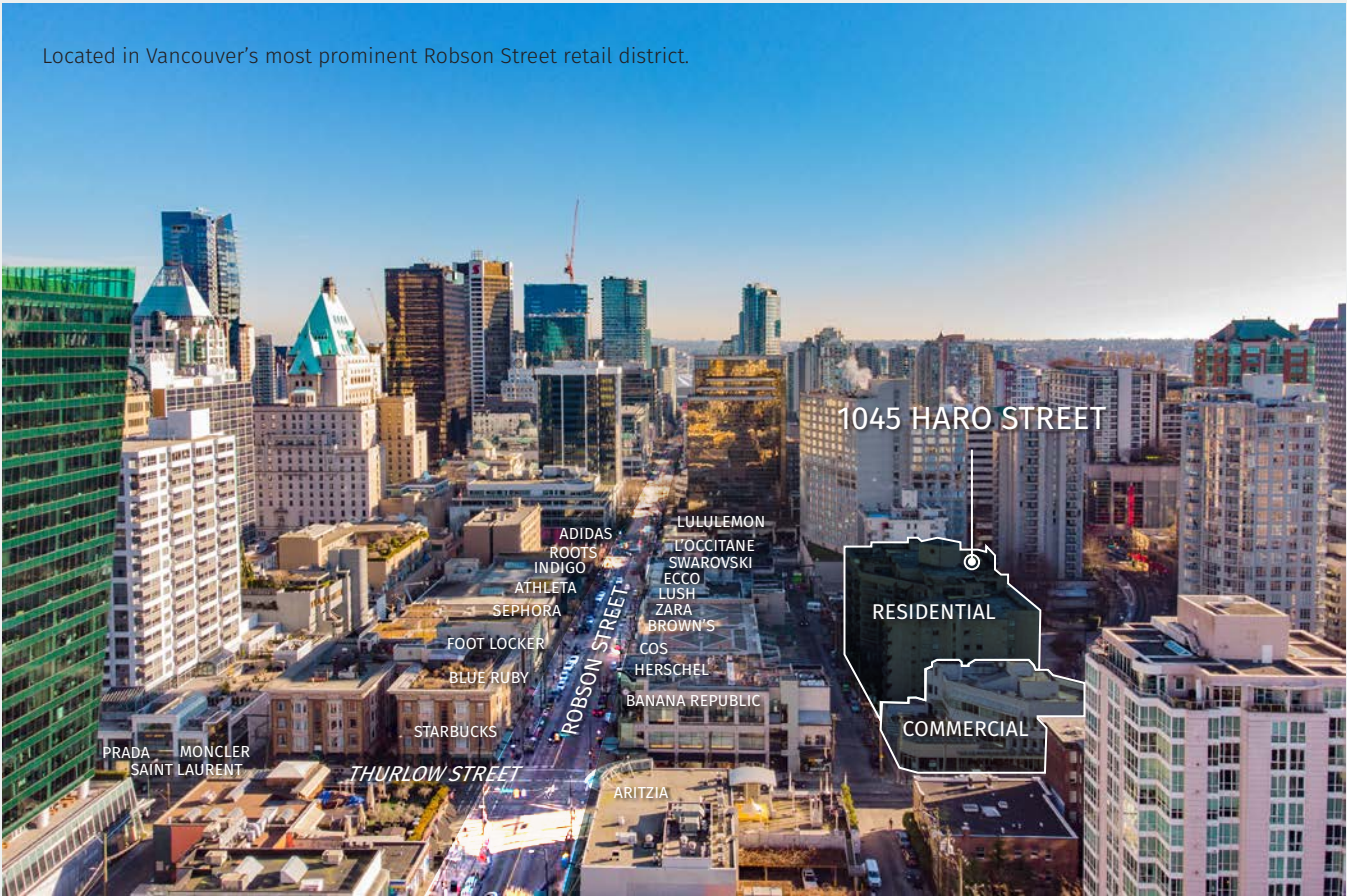
## Commercial Overview

- » The commercial component is a stand-alone retail building comprised of ground floor CRU retail space and two levels above for a total of 14,006 sq. ft. of net rentable area.
- » Tenants include a hair salon, Japanese restaurant, and a french-language college.
- » There is one vacant commercial unit, with an additional unit expiring in May 2024, which can be leased at market rental rates, presenting income growth potential upon lease up<sup>[1]</sup>.

<sup>[1]</sup>The tenant in Unit 846, which is expiring in June 2024, has expressed interest in extending their tenancy. Contact agents for details.



A well-maintained multifamily building presenting income growth potential.



Located in Vancouver's most prominent Robson Street retail district.








# Gateway to the West End

- » 1045 Haro Street is situated in central Downtown Vancouver, connecting the dynamic Central Business District with the vibrant West End.
- » Located at the intersection of Thurlow and Haro Streets, 1045 Haro provides convenient rapid transit access to Burrard Station on the Expo Line SkyTrain.
- » Vancouver's Central Business District is a high-tech hub featuring a vibrant ecosystem of some of the world's largest and most innovative companies, including: Amazon, Shopify, Microsoft, Facebook, Telus, Avigilon, and Salesforce.
- » The West End is a neighborhood steeped in history and culture, renowned for its diverse and vibrant mix of amenities. From the lush greenery of its parks to the upscale shopping, world-class dining, and dynamic entertainment, the West End offers an unparalleled lifestyle that embodies the essence of Vancouver living.
- » Stanley Park is less than 2 km away, offering hiking and walking trails, the Vancouver Aquarium, and more. The Site is within walking distance to Coal Harbour, Seawall and Sunset Beach.



POINTS OF INTEREST

- A Burrard SkyTrain Station
- B Pacific Centre
- C Vancouver City Centre SkyTrain Station
- D Granville Station
- E Vancouver Art Gallery
- F St. Paul's Hospital (future development site)

WALK TIME

-  1 min  
ROBSON STREET
-  7 min  
BURRARD STATION
-  7 min  
FINANCIAL CORE
-  7 min  
PACIFIC CENTRE
-  20 min  
STANLEY PARK

TRANSIT & WALK SCORE

-  100  
TRANSIT SCORE
-  98  
WALK SCORE



NOTABLE RETAIL & COMMERCIAL BRANDS

- |                       |                     |                      |                        |
|-----------------------|---------------------|----------------------|------------------------|
| 1. Bella Gelateria    | 14. Foot Locker     | 27. Adidas           | 40. Black & Blue       |
| 2. Tim Hortons        | 15. Nike            | 28. Lululemon        | 41. Tory Burch         |
| 3. Blue Horizon Hotel | 16. Aritzia         | 29. Joe Fortes       | 42. Saint Laurent      |
| 4. BC Liquor          | 17. Starbucks       | 30. Burberry         | 43. Moncler            |
| 5. London Drugs       | 18. Banana Republic | 31. Shangri-La Hotel | 44. Louis Vuitton      |
| 6. Earl's Kitchen     | 19. Blue Ruby       | 32. Equinox          | 45. Hermès             |
| 7. Breka Bakery       | 20. Sephora         | 33. Nordstrom        | 46. Thom Brown         |
| 8. New Balance        | 21. Zara            | 34. SportChek        | 47. Prada              |
| 9. Roots              | 22. Indigo          | 35. Italian Kitchen  | 48. Balenciaga         |
| 10. Laudurée          | 23. Paul            | 36. JOEY Restaurant  | 49. Rolex              |
| 11. CinCin Ristorante | 24. JD Sports       | 37. IGA              | 50. Brunello Cucinelli |
| 12. Zefferelli's      | 25. Swarovski       | 38. Tiffany & Co.    |                        |
| 13. Muji              | 26. L'Occitane      | 39. COAST            |                        |



1045 Haro Street may offer exceptional panoramic views of the downtown peninsula, English Bay, and the North Shore mountains once complete.

North Shore Mountains

English Bay

Stanley Park



COURT-  
ORDERED SALE

# 1045 Haro Street

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Mapping Sources: Canadian Mapping Services [canadamapping@cbre.com](mailto:canadamapping@cbre.com); DMTI Spatial, Environics Analytics, Microsoft Bing, Google Earth.





## **Appendix “D”**

**Purchase and Sale Agreement between the Receiver and 1045 Haro Street Limited  
Partnership dated August 13, 2024 (Redacted)**

## OFFER TO PURCHASE

**DATE:** August 13, 2024

**BETWEEN:** 1045 HARO STREET LIMITED PARTNERSHIP (the "Purchaser")

**AND:** DELOITTE RESTRUCTURING INC., in its capacity as the Court-Appointed Receiver and Manager of Haro-Thurlow Street Project Limited Partnership, Haro and Thurlow GP Ltd., and Harlow Holdings Inc., and not in its personal capacity (the "Receiver"), pursuant to Supreme Court of British Columbia Action No. H230802, and the Receivership Order granted in that proceeding on January 11, 2024 (the "Receivership Order").

### 1. BASIC TERMS

The basic terms of this amended and restated offer to purchase between the Purchaser and the Receiver dated as of the date first above written (the "Offer to Purchase") are:

(a) **Address of Purchaser:** Attention: Byron Chard  
Telephone: 604-558-7843  
Email Address: bchard@charddevelopment.com

(b) **Address of Receiver:** Attention: Jeff Keeble  
Telephone: 604-235-4197  
Email Address: Jkeeble@deloitte.ca

(c) **Real Property**

**Municipal Addresses:** 1045 Haro Street and 830, 838, 842 and 846 Thurlow Street, Vancouver, B.C.

**Legal Description of the Lands:** Parcel Identifier: 030-552-265, Lot 1 Block 5 District Lot 185 Group 1 New Westminster District Plan EPP85244 (the "Lands").

The Lands and all buildings, structures and improvements thereon are collectively referred to as the "Real Property").

The Real Property, the Leases, the Shares (if the RVO is pronounced), the Chattels and the Service Contracts (to the extent the Purchaser elects to assume them) are collectively referred to as the "Property"). For certainty, if the AVO is pronounced, the Shares will not form part of the Property.

(d) **Leases:** All registered and unregistered leases in respect of the Real Property (collectively, the "Leases").

- (e) **Chattels:** All chattels, appliances, tools, equipment, furniture and other tangible personal property located, incorporated or situated in or upon the Real Property as of the date the Receiver accepts this Offer to Purchase and owned by or on behalf of Harlow Holdings Ltd. (the "**Nominee**") or Haro-Thurlow Street Project Limited Partnership (the "**Beneficial Owner**") and used solely or primarily in connection with the use or operation of the Real Property (collectively, the "**Chattels**").
- (f) **Service Contracts:** All subsisting agreements in respect of the Real Property entered into by the Beneficial Owner or by the Nominee or Haro and Thurlow GP Ltd. (the "**General Partner**") on behalf of the Beneficial Owner, together with all modifications, amendments, supplements, extensions and renewals thereof or thereto, relating to the management, operation, servicing, maintenance, repair, cleaning or the provision of any other goods or services concerning the Real Property and the Chattels, in each case to the extent assignable to the Purchaser.
- (g) **Shares:** All issued and outstanding shares in the capital stock of the Nominee, being the registered owner of the Real Property.
- (h) **Purchase Price:** [REDACTED] (if the AVO is pronounced) or [REDACTED] (if the RVO is pronounced), being the total price offered by the Purchaser to acquire the Property, subject to adjustment in accordance with section 16.
- (i) **Deposit:** [REDACTED] (the "**First Deposit**").  
[REDACTED] (the "**Second Deposit**", and together with the First Deposit, the "**Deposit**").
- (j) **Deposit To Be Paid To:** The Receiver
- (k) **Acceptance Date:** August 13, 2024
- (l) **Completion Date:** 10 days following issuance of the Certified Vesting Order (as defined in subparagraph 21(a)(i)), or such other date as the Receiver and the Purchaser may agree upon in writing.

The foregoing basic terms are approved by the Purchaser and the Receiver (collectively, the "**Parties**"). Any reference in this Offer to Purchase to any such basic term shall be construed to include the provisions set forth above as well as any additional relevant and/or applicable terms and conditions of this Offer to Purchase.

The Parties agree that this Offer to Purchase replaces the previous agreement entered into between Chard Development Inc. and the Receiver dated June 28, 2024 (the "**Prior Agreement**"), and that on execution of this Offer to Purchase by both Parties, the Prior Agreement will no longer be of any force or effect.

2. **OFFER**

The Purchaser hereby offers to purchase the Property, free and clear of all encumbrances (specifically including all encumbrances of the parties to the Receivership Order), save and except for the permitted encumbrances (collectively, the "**Permitted Encumbrances**") set out in Schedule A attached hereto, for the Purchase Price and upon the terms and conditions herein set forth.

3. **VESTING ORDER**

The completion of the transaction contemplated by this Offer to Purchase is subject expressly to an order (the "**Vesting Order**") of the Supreme Court of British Columbia (the "**Court**"), which will be either:

- (a) a reverse vesting order (the "**RVO**"):
  - (i) approving this Offer to Purchase;
  - (ii) vesting all assets whatsoever of the Nominee in a company ("**NewCo**") to be incorporated by the Receiver prior to the issuance of the RVO, but excluding the assets (the "**Retained Assets**") of the Nominee set out in Part I of Schedule D, all of which will be retained by the Nominee and will be free and clear of all claims, charges, interests and liabilities whatsoever other than the Retained Liabilities and the Permitted Encumbrances;
  - (iii) vesting all liabilities whatsoever of the Nominee in NewCo, but excluding the liabilities (collectively, the "**Retained Liabilities**") of the Nominee set out in Part II of Schedule D, all of which will be retained by the Nominee;
  - (iv) vesting beneficial title to the Real Property, the Leases and the Chattels in the Purchaser, free and clear of all legal notations, charges, liens, interests except only the Permitted Encumbrances;
  - (v) vesting such of the Service Contracts that the Purchaser elects to assume in the Purchaser or such entity as the Purchaser may require;

- (vi) vesting title to the Shares in the Purchaser or such entity as the Purchaser may require, free and clear of all charges, liens, interests, options to purchase, put options, call options, rights of first refusal or other rights of third parties;
  - (vii) cancelling the existing share certificates in respect of the Shares and authorizing the issuance of new share certificates in respect of the Shares in the name of the Purchaser or such entity as the Purchaser may require;
  - (viii) declaring that all directors and officers of the Nominee are deemed to have resigned as directors or officers of the Nominee and to have released the Nominee from any claims whatsoever against the Nominee; and
  - (ix) authorizing the Receiver to execute and deliver, on behalf of the Nominee, all such documents as may be necessary or desirable in connection with the transfer of the Shares to the Purchaser (or its nominee entity), including the all such documents as are customary in share transactions in British Columbia; or
- (b) a vesting order (the "AVO"):
- (i) approving this Offer to Purchase;
  - (ii) vesting legal and beneficial title to the Real Property, the Leases and the Chattels in the Purchaser (or its nominee, in the case of legal title to the Real Property), free and clear of all legal notations, charges, liens, interests except only the Permitted Encumbrances; and
  - (iii) vesting such of the Service Contracts that the Purchaser elects to assume in the Purchaser or such entity as the Purchaser may require.

The Receiver and the Purchaser acknowledge and agree that their preference is for the transaction contemplated by this Offer to Purchase to proceed by way of the RVO (rather than the AVO) and that the Receiver will present both the RVO and the AVO to the Court and request that the Court pronounce the RVO (rather than the AVO) and that the Court pronounce the AVO only if it is not prepared to pronounce the RVO. For certainty, if the transaction contemplated by this Offer to Purchase proceeds by way of the AVO, the Purchase Price will be [REDACTED] and, if such transaction proceeds by way of the RVO, the Purchase Price will be [REDACTED]; provided, however, that if, on or before the Completion Date, any legislation or regulations are amended, enacted, promulgated or made such that, despite the pronouncement of an RVO, property transfer tax would apply to the transaction contemplated in this Offer to Purchase, then, notwithstanding Section 1(h), the Purchase Price will be [REDACTED].

In addition, and for further certainty, pursuant to the RVO (if pronounced), neither the Nominee nor the Purchaser will assume or retain or have any liability for any liabilities of the Nominee, other than the Retained Liabilities, and will not assume or have any liability for any liabilities of the Beneficial Owner or the General Partner.

4. **SPECIAL PROVISIONS - RECEIVERSHIP ORDER**

- (a) The acceptance of this Offer to Purchase by the Receiver is made pursuant to the Receivership Order and is neither made nor purported to be made as a seller or owner of the Property. The acceptance of this Offer to Purchase by the Receiver is expressly subject to the approval by the Court, and all such other modifications, variations and orders of the Court, as may be applicable, and shall only become effective from and after an order is made by the Court approving this Offer to Purchase.
- (b) The Purchaser acknowledges and agrees that:
  - (i) the date of any application by the Receiver for the Vesting Order shall be at the sole discretion of the Receiver and is anticipated to be prior to August 30, 2024;
  - (ii) at all times, the Receiver is subject to the jurisdiction and discretion of the Court to entertain other offers and to abide by any further orders the Court may make regarding the Property and the Receivership Order;
  - (iii) the Receiver may choose to advocate, or the Receiver may be compelled to advocate, that the Court consider other offers to obtain the highest price for the Property, and, in this regard, the Receiver gives no undertaking or commitment to the Purchaser to advocate or otherwise express support for the acceptance of this Offer to Purchase;
  - (iv) the Purchaser shall make its own arrangements to support this Offer to Purchase in Court;
  - (v) until the Vesting Order is pronounced, the Receiver is at liberty to deal with any and all other prospective purchasers of the Property; and
  - (vi) the Court may direct all bidders (including the original bidder under an accepted Offer to Purchase) to each forthwith submit a final bid in a one round, judicial sealed-bid auction. The Purchaser agrees to this procedure, and/or any other procedure directed by the Court in connection with the proposed sale and purchase of the Property, without limitation in any way.
- (c) Once this Offer to Purchase is accepted by the Receiver, the Receiver shall not disclose the amount of the Deposit or the Purchase Price except: (1) to the existing senior secured lenders of any of the Nominee, the Beneficial Owner, or the General Partner who are unrelated to any of the Nominee, the Beneficial Owner or the General Partner and on the condition that they maintain the information in strict confidence and do not disclose it to the Nominee, the Beneficial Owner or the General Partner, or to the shareholders or partners of any of them; (2) as required by the Court or by law; (3) as necessary to secure the Vesting Order; or (4) as agreed to by the Receiver and Purchaser, in writing.

- (d) If the Court vacates, sets aside or varies the Vesting Order for any reason whatsoever, the Receiver shall not be liable to the Purchaser or any other person in any way whatsoever.
- (e) This Offer to Purchase shall be terminated if, at any time before the Court issues the Vesting Order:
  - (i) the Receiver gives the Purchaser written notice that the existing mortgage in favour of the Bank of Montreal on the Property has been redeemed, refinanced, or placed in good standing;
  - (ii) the Receiver gives the Purchaser written notice that the Receiver has determined, in its sole discretion:
    - (1) that it is inadvisable to present this Offer to Purchase to the Court; or
    - (2) to withdraw such Offer to Purchase from the Court prior to any determination by the Court regarding its approval; or
  - (iii) any order of the Court (or other court of competent jurisdiction) renders the completion impossible or the Receiver is restrained or enjoined or otherwise prevented from completing the sale,

and, following such termination, the Parties shall have no further obligations or liability to each other under this Offer to Purchase other than the obligation of the Receiver to return the Deposit (and any interest accrued thereon) to the Purchaser.

- (f) If the Receiver does not apply to the Court and obtain the Vesting Order on or before September 30, 2024, the Purchaser will have the right, exercisable by written notice to the Receiver at any time after September 30, 2024 (but prior to the Receiver applying for and obtaining the Vesting Order), to terminate this Offer to Purchase and, if the Purchaser so terminates this Offer to Purchase, the Receiver will promptly return the Deposit (and any interest accrued thereon) to the Purchaser and the Parties shall have no further obligations or liability to each other under this Offer to Purchase.
- (g) If, and only if the Vesting Order is made by the Court, then the Receiver will forthwith provide the Purchaser with a true copy thereof and the Purchaser shall be obligated to complete the purchase of the Property on the Completion Date (or such other date as the Vesting Order may stipulate or the Parties may agree to, each acting reasonably), subject only to an order from the British Columbia Court of Appeal staying the effect of, altering or overturning the Vesting Order on or before the Completion Date.

## 5. DEPOSIT

- (a) The Receiver acknowledges and agrees that, prior to the date of this Offer to Purchase, the First Deposit and the Second Deposit were received by the Purchaser

by way of wire transfer in accordance with the wire instructions set forth in Part I of Schedule B attached hereto.

- (b) The Receiver shall hold the Deposit "*in trust*" and deal with the Deposit in accordance with the terms hereof or, if applicable, in accordance with any order of the Court.
- (c) The First Deposit and the Second Deposit shall be held by the Receiver in an interest-bearing trust account until the Completion Date.
- (d) In holding and dealing with the Deposit, the Receiver is not bound in any way by any agreement other than this Offer to Purchase, if and as accepted by the Receiver, and shall not be considered to have assumed any duty, liability or responsibility other than to hold the Deposit in accordance with the provisions hereof and to pay the Deposit (and any accrued interest thereon) in accordance with the terms hereof or any order of the Court. In the event of a dispute between the Parties as to the legal entitlement to the Deposit (and any accrued interest thereon), the Receiver may, in its discretion, pay the Deposit (and any interest accrued thereon) into Court, whereupon the Receiver shall have no further obligations relating thereto. The Receiver shall not, under any circumstances, be required to verify or determine the validity of any notice or other document whatsoever delivered to the Receiver and the Receiver is hereby relieved of any liability or responsibility for any loss or damage which may arise as the result of the acceptance by the Receiver of any such notice or other document in good faith.
- (e) The Deposit, while held "*in trust*" by the Receiver, shall be dealt with as follows:
  - (i) in connection with the completion of this purchase and sale transaction, the Deposit, together with any accrued interest thereon, while held "*in trust*" by the Receiver, shall be credited on account of the Purchase Price on the Completion Date, or, in lieu of such credit for accrued interest, the Receiver may pay an amount equal to such accrued interest directly to the Purchaser on the Completion Date or as soon as reasonably possible thereafter;
  - (ii) if this Offer to Purchase is approved by the Court and the purchase and sale transaction is not subsequently completed in accordance with the terms hereof due to the default of the Purchaser hereunder, the Deposit shall be forfeited by the Purchaser and retained by the Receiver (without deduction of any commissions, brokerage fees or break fees) as the sole remedy, at law and in equity, of the Receiver against the Purchaser; and
  - (iii) if this Offer to Purchase is approved by the Court and the purchase and sale transaction is not subsequently completed in accordance with the terms hereof due to the default of the Receiver hereunder, the Deposit shall be paid by the Receiver (without deduction of any commissions, brokerage fees or break fees) to the Purchaser as the sole remedy, at law and in equity of the Purchaser against the Receiver.



- (f) The provisions of this section 5 shall survive the termination of this Offer to Purchase.

6. **PURCHASE PRICE**

The net Purchase Price for the Property, as adjusted pursuant to section 16 hereof (the "Balance"), shall be paid by the Purchaser to the Receiver in accordance with the Vesting Order.

7. **AS IS, WHERE IS**

- (a) The Purchaser acknowledges and agrees that the Purchaser:
  - (i) is purchasing the Property on a strictly "*as is, where is*" basis. Without limiting the generality of the foregoing, the Purchaser acknowledges and agrees that, except as expressly set out in this Offer to Purchase, the Receiver has neither made, nor is required hereunder to make, any warranties or representations whatsoever with respect to the Property, whether expressed or implied, including, without limitation, any warranty or representation as to physical, environmental or financial condition, size, dimensions, fitness for use or purpose, quality, or the existence of any defect, whether latent or patent; and
  - (ii) is taking the fixtures at the Property and the Chattels as at the Completion Date without any representations and/or warranty whatsoever.
- (b) The Purchaser acknowledges and agrees that the Property shall include the Real Property, the Leases, the Chattels and the Service Contracts (but only to the extent the Purchaser elects to assume any of the Service Contracts, and the Purchaser will have the right, exercisable by written notice to the Receiver on or before the date that is three days after this Offer to Purchase has been executed and delivered by both parties, to elect to assume all or any of the Service Contracts).
- (c) No property condition disclosure statement concerning the Property forms part of or shall be deemed to form part of this Offer to Purchase.

8. **DELIVERY OF INFORMATION**

The Purchaser acknowledges and agrees that, except as expressly set out in this Offer to Purchase, the Receiver has not made and the Purchaser shall not assert that the Receiver made, any warranty or representation whatsoever regarding information previously provided to the Purchaser in connection with this Offer to Purchase, including the accuracy or completeness of any such information, and any use that the Purchaser or others may make of such information is strictly at the Purchaser's own risk.

9. FINANCIAL STATEMENTS

The Receiver shall make commercially reasonable efforts to obtain and deliver to the Purchaser the tax returns, financial statements and T5013s for the last three years for each limited partner of the Beneficial Owner (collectively, the “**Financial Statements**”).

The Purchaser acknowledges and agrees that, except as expressly set out in this Offer to Purchase, the Receiver has not made and the Purchaser shall not assert that the Receiver made, any warranty or representation whatsoever regarding the Financial Statements, including the accuracy or completeness of the Financial Statements, and any use that the Purchaser or others may make of the Financial Statements is strictly at the Purchaser’s own risk.

10. CONFIDENTIALITY

The Purchaser acknowledges and agrees that any information provided to the Purchaser with respect to the Property, the Beneficial Owner or the Nominee (including without limitation, pursuant to sections 8, 9 or 10), whether such information was provided before or after the Acceptance Date, shall be kept confidential by the Purchaser and not disclosed to any third party, except: (i) the Purchaser’s directors, officers, employees, agents or advisors, including lawyers, accountants, consultants, bankers and financial advisors (the “**Purchaser Authorized Parties**”); (ii) AIMCo (as defined below) or AIMCo’s directors, officers, employees, agents or advisors, including lawyers, accountants, consultants, bankers and financial advisors (the “**AIMCo Authorized Parties**”); or (iii) applicable governmental authorities, in the case of any diligence related authorizations, in each case for the purpose of carrying out the intent of this Agreement. The Purchaser will instruct the Purchaser Authorized Parties and AIMCo, and cause AIMCo to instruct the AIMCo Authorized Parties, as applicable, to comply with the provisions of this section and the Purchaser will be responsible for any breach of the provisions of this section.

11. CLOSING CONDITIONS

The Purchaser’s obligation to complete the purchase of the Property on the Completion Date is subject to and conditional upon each of the following conditions precedent (collectively, the “**Purchaser’s Closing Conditions**”) being satisfied or complied with on the Completion Date:

- (a) the Vesting Order shall have been pronounced by the Court and be effective as of the Completion Date; and
- (b) there shall be no order from the British Columbia Court of Appeal staying the effect of, altering or overturning the Vesting Order.

The Purchaser’s Closing Conditions are for the sole benefit of the Purchaser and may be waived, in writing, or declared satisfied by the Purchaser, in whole or in part, at any time prior to the completion of the sale and purchase transaction contemplated by this Offer to Purchase on the Completion Date and, if they are not satisfied or waived as aforesaid, the Purchaser may terminate this Offer to Purchase and the Deposit (and any interest accrued thereon) shall be paid by the Receiver to the Purchaser.

12. **BREAK FEE**

If (a): the sale of the Property does not complete due to reasons other than a default of the Purchaser, such as the redemption of the Property or the Court deciding not to pronounce the Vesting Order, or (b) the Receiver presents this Offer to Purchase to the Court but another offer is approved by the Court, this Offer to Purchase will terminate, the Deposit (and any accrued interest) will be released to the Purchaser and the Receiver will pay to the Purchaser a break fee of \$250,000.

13. **ENVIRONMENTAL**

- (a) In this section 13, "**Environmental Liabilities**" means all losses of any kind suffered by or against any person, business or property, including or as a result of any order, investigation or action by any governmental authority, arising from or with respect to any one or more of the following:
  - (i) the release or presence at the Real Property of any hazardous material, contaminant, pollutant or other substance that creates a risk of harm or degradation, immediately or at some future time, to the environment or to human health;
  - (ii) liability under any applicable law in relation to the environment, including, without limitation, the *Environmental Management Act (British Columbia)* and the regulations thereto, for any costs incurred in respect of environmental matters associated with the Real Property, whether for clean up, remediation, assessment or otherwise; and
  - (iii) liability for personal injury or property damage at the Real Property arising in connection with any breach of any applicable environmental laws, including civil, criminal or quasi-criminal laws, or under any statutory or common law tort or similar theory.
- (b) The Purchaser waives any right to a site profile or any other report under the *Environmental Management Act (British Columbia)* and the regulations thereto.
- (c) The Purchaser irrevocably releases, remises and forever discharges the Receiver and the Receiver's successors, assigns, directors, officers, employees and agents (collectively, the "**Releasees**") of and from any and all manner of actions, claims, causes of action, litigation, obligations or liabilities, whether at common law, equity or statutory, including, without limitation, the *Environmental Management Act (British Columbia)* and the regulations thereto, or any concerns that the Purchaser has, could have or may have in the future, which in any way arise out of or relate to any Environmental Liabilities.

14. **GOOD AND SERVICES TAX**

- (a) The Purchaser confirms that it shall be registered on the Completion Date with Canada Revenue Agency or any successor thereto ("**CRA**") in compliance with

Part IX of the *Excise Tax Act* (Canada) (the "Act") relating to the federal goods and services tax (the "GST").

- (b) The Purchase Price does not include GST and the Purchaser covenants, represents and warrants and confirms that it:
  - (i) shall be responsible for any GST and any other sales tax or similar tax payable with respect to the purchase of the Property and account directly to CRA with respect thereto;
  - (ii) shall be liable and shall self-assess and remit to the CRA, or other applicable government authority, all GST which is payable under the Act in connection with the purchase of the Property, all in accordance with the Act;
  - (iii) in the event that on the Completion Date the Purchaser is not registered as a registrant under Part IX of the Act for the purposes of GST such that the Receiver is required to remit the GST payable with respect to the closing of the purchase and sale transaction contemplated herein, the Purchaser shall deliver to the Receiver, together with the Balance, the amount of the GST payable on the Purchase Price; and
  - (iv) shall confirm its GST registration number to the Receiver on or prior to the Completion Date by providing a signed certificate in the customary form.
- (c) The Purchaser shall indemnify and save harmless the Receiver from and against any and all GST, penalties, costs and/or interest which may become payable by or assessed against the Receiver as a result of any failure by the Purchaser to comply with the foregoing and such indemnity shall survive and shall not merge upon the completion of the sale and purchase of the Property contemplated herein.

15. **COMPLETION DATE**

The purchase and sale of the Property shall be completed on the Completion Date, subject to the terms of the Vesting Order and any further order of the Court.

16. **ADJUSTMENTS AND ASSOCIATED TAXES**

- (a) Adjustments relating to the Property shall be made as of the Completion Date in accordance with this section 16, subject to any additional terms and conditions of the Vesting Order or any further order of the Court, and the payment of the Balance due shall be adjusted accordingly. Except as otherwise provided in this Offer to Purchase, the Purchaser shall assume and pay all taxes, rates, fuel, utilities and other charges from and including the Completion Date, and only adjustments that are reasonably ascertainable by the Purchaser and the Receiver, both incoming and outgoing of whatsoever nature, and including, without limitation, rents, property taxes, local improvement assessments and charges, utilities, security and damage deposits, statutory interest on deposits, operating costs and other items of additional rent, and all other matters customarily the subject of adjustment on the

sale of a similar property, shall be made as of the Completion Date. With respect to any Lease, the Purchaser will receive a credit for 100% of all third party leasing commissions, of all tenant inducements and allowances of any kind, including lease take-over obligations and free rent, payable or accrued in respect of such Lease, and of all costs and expenses of any landlord's work or improvements pursuant to such Lease, in all of the foregoing cases whether or not payable or accrued or to be provided before, on or after the Completion Date, but no adjustments shall be made for: (i) any committed capital improvements or capital improvements underway; and (ii) arrears of rents owing by the tenants prior to the Completion Date.

- (b) A statement of adjustments (the "**Statement of Adjustments**") will be provided by the Purchaser to the Receiver, not later than three business days prior to the Completion Date, for the Receiver's review and approval at the Receiver's discretion. The Receiver makes no warranties or representations whatsoever, expressed or implied, with respect to the Statement of Adjustments. The parties acknowledge and agree that, unless otherwise agreed, there will be no re-adjustment after the Completion Date.
- (c) The Purchaser shall be responsible for the payment of all property transfer tax (if applicable) payable in respect of the purchase and sale of the Property and the registration of the Vesting Order.

#### 17. STATUTORY AND COURT DECLARATIONS

- (a) The Receiver shall use reasonable commercial efforts to obtain, prior to the Completion Date:
  - (i) the following statutory declarations in the forms attached as Schedule C hereto (collectively, the "**Statutory Declarations**"):
    - (1) from the Nominee that, among other things, the Nominee is not a non-resident of Canada within the meaning of the Income Tax Act (Canada);
    - (2) from the General Partner (and any other general partner) that, among other things, the Beneficial Owner is the beneficial owner of the Real Property, that the General Partner is not a non-resident of Canada within the meaning of the Income Tax Act (Canada) and that the General Partner is the legal and beneficial owner of its interest in the Beneficial Owner;
    - (3) from each limited partner of the Beneficial Owner, that, among other things, each such entity is not a non-resident of Canada within the meaning of the Income Tax Act (Canada) and is the legal and beneficial owner of its interest in the Beneficial Owner; and
    - (4) from each general partner (including the General Partner) and each limited partner of the Beneficial Owner that is itself a limited or

general partnership (if applicable), that, among other things, it is a Canadian partnership within the meaning of the Income Tax Act (Canada) and is the legal and beneficial owner of its interest in the Beneficial Owner;

and, if it is unable to obtain all of the Statutory Declarations:

(ii) the following declarations from the Court (collectively, the "**Court Declarations**"):

- (1) that the Beneficial Owner is the sole beneficial owner of the Real Property; and
- (2) that the General Partner (and any other general partner) and the limited partners of the Beneficial Owner are, collectively, the beneficial owners of all of the partnership units of, and interests in, the Beneficial Owner,

all of which (to the extent obtained) shall be provided to the Purchaser as soon as obtained by the Receiver. For certainty, if the Receiver, despite making commercially reasonable efforts as aforesaid, is unable to obtain all of the Statutory Declarations, the Receiver will provide to the Purchaser those of the Statutory Declarations that it does obtain.

(b) Regardless of whether the Receiver provides either the Statutory Declarations or the Court Declarations to the Purchaser on or before the Completion Date, the Purchaser shall be obligated to complete the purchase of the Property on the Completion Date as contemplated herein, and the Purchaser shall not withhold any amounts pursuant to s. 116 of the *Income Tax Act* (Canada); provided, however, that if at any time credible information (documentary or otherwise) has come or comes to the attention of the Purchaser that leads the Purchaser, acting reasonably, to conclude that (A) someone other than the Beneficial Owner has a beneficial interest in the Real Property; and/or (B) such other beneficial owner, if applicable, or a person or partnership that beneficially holds any of the partnership interests in the Beneficial Owner or such other beneficial owner, if applicable, may be, at the Completion Date and within the meaning of the *Income Tax Act* (Canada), not resident in Canada or, if a partnership, a partnership other than a Canadian partnership within the meaning of the *Income Tax Act* (Canada), then, notwithstanding any other provision of this Offer to Purchase to the contrary, the Purchaser may elect, in its sole discretion, to:

- (i) complete the purchase of the Property on the Completion Date as contemplated herein, in which case the Purchaser agrees not to withhold any amounts pursuant to s. 116 of the *Income Tax Act* (Canada); or
- (ii) terminate this Offer to Purchase and, if the Purchaser so terminates this Offer to Purchase, the Receiver will promptly return the Deposit (and any interest accrued thereon) to the Purchaser and the Parties shall have no

further obligations or liability to each other under this Offer to Purchase (and, for certainty, no break fee will be payable to the Purchaser).

If any such information comes to the attention of the Purchaser, the Purchaser will provide the Receiver with written notice thereof within 48 hours thereafter.

**18. Risk**

The Property shall be and shall remain at the risk of the registered owner(s) of the Property until the Vesting Order is filed for registration in the New Westminster Land Title Office on the Completion Date. Notwithstanding the foregoing, if, prior to the Vesting Order being filed for registration in the Land Title Office:

- (a) the Property or any material part thereof is destroyed or expropriated, and the cost to repair (in the case of destruction) or the value of the portion of the Property expropriated (in the case of expropriation) exceeds 7% of the Purchase Price, then in either case the Purchaser will have the option in its sole discretion of completing the sale and purchase and accepting from the Receiver an assignment of the proceeds of insurance (and an adjustment to the Purchase Price in favour of the Purchaser in an amount equal to the deductible under the relevant insurance policy) or expropriation award or other compensation as well as the balance of the Property, or of not completing the sale and purchase (in which case the Deposit paid, together with all accrued interest thereon, will be returned to the Purchaser forthwith and the parties will have no further obligations hereunder except for the obligation of the Purchaser to maintain the confidentiality of all disclosed documents and instruments delivered to it and to indemnify the Receiver as contemplated in Section 11); or
- (b) any equipment, systems or facilities (including, without limitation, any part of the roof of either building forming part of the Real Property; elevators; cooling towers; pressurization units; main electrical switches and associated distribution equipment; transformers; motor control centres, suite panels and meter stacks; power outlets and wiring; fire alarm panels, bells, detectors and manual pull stations; domestic hot water piping and domestic chilled water piping, and any other electrical, mechanical, plumbing or life safety equipment, systems or facilities) fail and the aggregate cost of repairing or replacing the relevant items is \$750,000 or more (as determined by a qualified engineer or other suitable professional), the Receiver will promptly advise the Purchaser and the Receiver and the Purchaser will complete the sale and purchase of the Property but:
  - (i) to the extent the repair or replacement cost is covered by insurance, the Receiver will assign to the Purchaser the proceeds of insurance (and an adjustment to the Purchase Price in favour of the Purchaser will be made in an amount equal to the deductible under the relevant insurance policy); and
  - (ii) to the extent the repair or replacement cost is not covered by insurance, the Purchase Price will be reduced by an amount equal to the estimated repair or replacement cost.

19. POSSESSION

- (a) Possession shall occur and shall be governed by operation of and pursuant to the terms of the Vesting Order and any further order of the Court.
- (b) The Purchaser acknowledges that the Receiver is not in possession of the Property and has no control over whether the registered owner(s) of the Property vacate the Property on the Completion Date (other than through the Vesting Order or any further order of the Court). The Purchaser hereby agrees to accept, on the Completion Date, all lease obligations that arise under the Leases on or after the Completion Date.

20. ESTOPPEL CERTIFICATES

The Receiver will make diligent and reasonable commercial efforts to cause each commercial tenant under the Leases to complete, execute and deliver estoppel certificates (collectively, the "**Estoppel Certificates**"), whether or not such tenants are required to provide such Estoppel Certificates pursuant to the terms of their Lease, in the form required under the terms of the applicable Lease or as otherwise agreed by the Receiver and the Purchaser, each acting reasonably, and deliver the originally executed Estoppel Certificates to the Purchaser on or before the Completion Date. The Receiver will prepare draft Estoppel Certificates and deliver them to the Purchaser for review and approval prior to delivering them to the commercial tenants under the Leases. The Purchaser will provide any comments on the draft Estoppel Certificates to the Receiver within three business days after receipt thereof, failing which the Purchaser will be deemed to have approved the draft Estoppel Certificates. For certainty, the failure to obtain any Estoppel Certificate shall not constitute a default on the part of the Receiver under this Agreement.

21. DELIVERY OF CLOSING DOCUMENTS

- (a) On or before the Completion Date, the Receiver shall cause the Receiver's solicitors to deliver to the Purchaser's solicitors the following items, duly executed by the Receiver and in registrable form whenever appropriate, to be dealt with in accordance with section 22:
  - (i) a Court-certified true copy of the Vesting Order (the "**Certified Vesting Order**"), in registrable form. The Vesting Order (and the Certified Vesting Order) shall identify the Purchaser (or its assignee, if applicable) such that the Purchaser (or its assignee, if applicable) shall be the beneficial owner of the Property and such that:
    - (1) if the Vesting Order is an RVO, the registered owner of the Property shall be the Nominee; and
    - (2) if the Vesting Order is an AVO, the registered owner of the Property shall be the Purchaser (or its assignee, if applicable, or such other entity as the Purchaser may direct),

after completion of the sale and purchase of the Property;



- (ii) an assignment and assumption agreement in respect of the Leases;
  - (iii) a bill of sale in respect of the Chattels;
  - (iv) if and to the extent applicable, an assignment and assumption agreement in respect of the Service Contracts;
  - (v) a certificate dated as of the Completion Date certifying that (i) each of the representations and warranties (if any) of the Receiver remain true and correct in all material respects with the same effect as if made at and as of the Completion Date; (ii) the Receiver has performed or complied with, in all material respects, all of its covenants and obligations under this Offer to Purchase, in each case as at the Completion Date;
  - (vi) the Statutory Declarations and the Court Declarations (to the extent obtained by the Receiver);
  - (vii) the Estoppel Certificates (to the extent provided by the commercial tenants under the Leases);
  - (viii) the Statement of Adjustments; and
  - (ix) such further certificates and assurances as may be required in the reasonable opinion of the Purchaser's solicitors and the Receiver's solicitors to transfer to and vest in the Purchaser, title to the Property free and clear of any lien, charge, encumbrance or legal notation other than the Permitted Encumbrances.
- (b) The Receiver and the Purchaser shall each deliver, or cause to be delivered, to the other all such further documents and assurances as may be reasonably required to give full effect to the intent and meaning hereof.
- (c) As soon as reasonably possible after the completion of the purchase and sale of the Property and subject to section 19, the Receiver shall deliver to the Purchaser all keys and like devices for the Real Property including, without limitation, master keys to all rentable space located within the Real Property (to the extent that such items have not previously been delivered to the Purchaser and are in the Receiver's possession or control).

## 22. CLOSING PROCEDURE

- (a) On or before the Completion Date, the Purchaser shall pay to the Purchaser's solicitors "*in trust*" the Balance as set out in section 6 of this Offer to Purchase.
- (b) Forthwith following receipt by the Purchaser's solicitors of the payment pursuant to subsection 22(a) and the documents and the items referred to in subsection 21(a), the Purchaser shall cause the Purchaser's solicitors to file the Certified Vesting Order (if the Vesting Order is an AVO) and, if applicable, the New Mortgage Documents in the New Westminster Land Title Office on the

Completion Date in accordance with written undertakings settled as between the Purchaser's solicitors and the Receiver's solicitors and which will require the Receiver's solicitors to make such payments and do such acts and things as are necessary to discharge from title to the Lands any encumbrances that are not Permitted Encumbrances. For greater certainty, the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings may apply, subject to necessary and required amendments that are satisfactory to the Purchaser's solicitors and to the Receiver's solicitors.

- (c) If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Balance on the Completion Date, may wait to pay the Balance to the Receiver until after the Certified Vesting Order (if it is an AVO) and the new mortgage documents (collectively, the "**New Mortgage Documents**") have been lodged for registration in the New Westminster Land Title Office, but only if, before such lodging, the Purchaser has:
  - (i) made available for tender to the Receiver that portion of the Balance not secured by the new mortgage;
  - (ii) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and
  - (iii) made available to the Receiver's solicitors a written undertaking by the Purchaser's solicitors to pay the Balance upon the lodging of the Certified Vesting Order and the New Mortgage Documents and the advance by the mortgagee of the anticipated net mortgage proceeds.
- (d) Forthwith following the submission for registration of the Certified Vesting Order and, if applicable, the New Mortgage Documents, and upon the Purchaser's solicitors being satisfied as to the title to the Lands after conducting a post-filing registration check of the property index disclosing only the following:
  - (i) the existing title number to the Lands;
  - (ii) the Permitted Encumbrances;
  - (iii) pending numbers assigned, respectively, to the Certified Vesting Order and, if applicable, the New Mortgage Documents; and
  - (iv) any encumbrances with respect to which the Receiver's solicitors have undertaken to the Purchaser's solicitors to discharge,

the Purchaser shall:

- (v) pay the Balance or cause the Balance to be paid to the Receiver's solicitors "in trust" for the Receiver by wire transfer of immediately available funds in accordance with the wire instructions set out in Part II of Schedule B, attached hereto, or as otherwise directed by the Vesting Order prior to the Completion Date; and

- (vi) provide written confirmation addressed to the Receiver and its solicitors that, as contemplated in subparagraph 5(e)(i), the Deposit can be retained by the Receiver, and the amount equal to the accrued interest earned on the Deposit can be paid directly to the Purchaser on the Completion Date or as soon as reasonably possible thereafter.

**23. COMMISSIONS**

The Parties hereby acknowledge that CBRE Limited, represented by Carter Kerzner, Jim Szabo PREC, Tony Quattrin PREC have a designated agency agreement with the Receiver and represent the Receiver as a client in respect of the transactions contemplated herein.

**24. FEES AND EXPENSES**

All closing documents that are necessary to complete the purchase and sale of the Property shall be prepared at the cost of the Purchaser. All documents necessary to obtain the Certified Vesting Order and the Court Declarations shall be prepared at the expense of the Receiver and will be payable out of the proceeds of sale of the Property. The Purchaser shall pay the expense of registering the Certified Vesting Order (if required) and, if applicable, the New Mortgage Documents.

**25. TENDER**

Subject to section 30, any tender of documents or money pursuant to this Offer to Purchase may be made upon the solicitor acting for the party on whom tender is desired, and it shall be sufficient that a bank draft is tendered instead of cash.

**26. ASSIGNMENT**

The Purchaser shall not be entitled to assign its interest in this Offer to Purchase without the prior written consent of the Receiver, in its sole discretion.

**27. ENTIRE AGREEMENT**

This Offer to Purchase (including the Schedules attached hereto) constitutes the entire agreement between the Parties in respect of the Property, and it is understood and agreed that there are no representations, warranties, guarantees, promises, covenants, agreements, collateral agreements or conditions affecting the Property or this Offer to Purchase, other than as expressed in writing in this Offer to Purchase.

**28. TIME**

Time shall be of the essence hereof.

**29. NOTICE**

Any notices, requests or demands which may or are required to be given or made hereunder shall be in writing and served personally or e-mailed as follows:

- (a) if to the Purchaser, to the address or e-mail address and to the person set out in subsection 1(a); and
- (b) if to the Receiver, to the address or e-mail address and to the person set out in subsection 1(b);

provided that either Party may change its address or e-mail address by written notice to the other and in such event this section shall be deemed to be amended accordingly. Any notice, request or demand given or made hereunder by personal delivery or e-mail shall be conclusively deemed to have been given or made on the day it is actually delivered or e-mailed unless it is delivered or e-mailed after 5:00 p.m. (Vancouver time) or on a day other than a business day, in which case it shall be deemed to have been given or made on the next business day. Delivery of notices may be delivered to the respective solicitors for the Parties.

**30. WIRE TRANSFER OF FUNDS**

Notwithstanding any other provision of this Offer to Purchase, the Parties agree that the Purchaser will be required to cause the Balance to be paid by wire transfer, and the Purchaser agrees to make commercially reasonable efforts to ensure that the Balance is transferred to and received by the Receiver's solicitors, or as otherwise directed by the Vesting Order, on or before 5:00 p.m. (Vancouver time) on the Completion Date. If, for any reason out of the control of the Purchaser (which, for greater certainty, shall not include any event which is a default by the Purchaser under this Offer to Purchase), the Purchaser cannot ensure that such an amount is received by the Receiver's solicitors, or as otherwise directed by the Vesting Order, on or before the time and date set out above, then the Purchaser shall be entitled to pay such amount on or before 5:00 p.m. (Vancouver time) on the next business day following the Completion Date so long as, in addition to such amount, the Purchaser also pays, at the same time, interest on such amount, at a rate equal to the Prime Rate plus one percent (1%) per annum, for each day from and including the Completion Date to but not including the day such payment is made. "**Prime Rate**", as used herein, means that variable annual rate of interest quoted by the main branch of Royal Bank of Canada, Vancouver, British Columbia, from time to time as the rate of interest used by it as a reference rate for setting rates of interest on Canadian dollar loans in Canada repayable on demand and commonly referred to by such bank as its "prime rate".

**31. GOVERNING LAW**

This Offer to Purchase and the agreement resulting herefrom shall be construed according to and governed by the laws of the Province of British Columbia.

**32. BINDING EFFECT**

This Offer to Purchase shall enure to the benefit of and be binding upon the Receiver and the Purchaser and their representative successors and permitted assigns.

33. **BUSINESS DAY**

- (a) In this Offer to Purchase, "**business day**" means a day other than a Saturday, Sunday or statutory holiday in British Columbia.
- (b) If the date for the performance of any act or thing falls on a day which is a Saturday, Sunday or statutory holiday in British Columbia, then the date for the performance of such act or thing shall be extended to the next business day.

34. **EXECUTION BY ELECTRONIC MEANS**

This Offer to Purchase may be executed by the Parties and transmitted by electronic means and, if so executed and transmitted, this Offer to Purchase shall be for all purposes as effective as if the Parties had delivered an executed original Offer to Purchase.

35. **EXECUTION IN COUNTERPARTS**

This Offer to Purchase may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

36. **OFFER**

This Offer to Purchase is irrevocable and open for acceptance by the Receiver, in the manner indicated below, until but not after 5:00 p.m. Vancouver local time on the Acceptance Date, and if not accepted on or before such time on the Acceptance Date, shall be absolutely null and void. This Offer to Purchase may be accepted by the Receiver executing this Offer to Purchase and returning same to the Purchaser, and, when accepted, this Offer to Purchase shall constitute a binding agreement of sale and purchase of the Property in accordance with the terms hereof.

The Purchaser has executed this Offer to Purchase this 13<sup>th</sup> day of August, 2024.

**1045 HARO STREET LIMITED PARTNERSHIP**  
by its general partner **1045 HARO STREET GP LTD.**

By:   
(Authorized Signatory)

Byron Chard, Director  
(Name & Title)

#### THE RECEIVER'S ACCEPTANCE

In consideration of the Purchaser paying the First Deposit to the Receiver as provided in subsection 5(a), and in further consideration of the covenants and agreements of the Purchaser contained in this Offer to Purchase, the Receiver hereby accepts the Purchaser's offer herein, subject to the terms and conditions hereof, including without limitation, the requirement to seek the approval by the Court of this Offer to Purchase.

IN WITNESS WHEREOF the Receiver has executed this Offer to Purchase this 13<sup>th</sup> day of August, 2024.

**DELOITTE RESTRUCTURING INC., in its capacity as the Court-Appointed Receiver and Manager of Haro-Thurlow Street Project Limited Partnership, Haro and Thurlow GP Ltd., and Harlow Holdings Inc., and not in its personal capacity**

By:   
(Authorized Signatory)

Jeff Keeble, Senior Vice President  
(Name & Title)

## **SCHEDULE A**

### **PERMITTED ENCUMBRANCES**

1. The subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown;
2. The following legal notations, charges, liens and interests:
  - (a) Notice of Interest, Builders Lien Act (S.3(2)), See CA7024177 Filed 2018-08-27;
  - (b) Easement and Indemnity Agreement 251243M registered June 6, 1957 in favour of the City of Vancouver; and
  - (c) Easement and Indemnity Agreement F76094 registered October 30, 1978 in favour of the City of Vancouver.

## SCHEDULE B

### WIRING INSTRUCTIONS

#### PART I - RECEIVER WIRING INSTRUCTIONS

For CAD Wire Payments:

Beneficiary Account: 03215 1106590

Beneficiary Name: Deloitte Restructuring Inc. ITF Haro-Thurlow Street Project Limited Partnership in Receivership

Beneficiary Address: Level 19, 410 West Georgia Street, Vancouver, BC V6B 0S7

Beneficiary Bank: Royal Bank of Canada - 6th Floor, 885 West Georgia Street, Vancouver, BC V6C 3G1

SWIFT: ROYCCAT2, Institution: 003, Transit: 03215

#### PART II - WIRING INSTRUCTIONS OF THE RECEIVER'S SOLICITOR

<b>Beneficiary Branch of Account:</b> SWIFT F57A - Account with Institution (Provide full address of the branch if Swift BIC CIBCCATT is not used)	<b>International Routing Code (IRC):</b> //CC001000010* <b>SWIFT Code:</b> CIBCCATT <b>Beneficiary Bank:</b> Canadian Imperial Bank of Commerce <b>Bank Address:</b> 400 Burrard Street Vancouver, BC V6C 3A6 Canada
<b>Beneficiary:</b> Swift F59 - Beneficiary Customer	<b>Account Number:</b> 5011612 <b>Beneficiary Name:</b> Blake, Cassels & Graydon LLP in Trust <b>Beneficiary Address:</b> 1133 Melville Street Suite 3500, The Stack Vancouver, BC V6E 4E5 Canada
<b>Reference:</b>	00038358/000105 - CIH



MTDOCS 51737393v4

1381-2459-1886.4

**SCHEDULE C**  
**STATUTORY DECLARATIONS**

*Nominee – Appendix 1*

*General partner – Appendix 2*

*Limited partners – Appendix 3*

*Partners of Beneficial Owner that are limited or general partnerships – Appendix 4*

**CANADA** ) IN THE MATTER OF the *Income Tax Act*, RSC 1985, c 1  
 ) (5<sup>th</sup> Supp.) and the *Property Transfer Tax Act*, RSBC  
**PROVINCE OF BRITISH** ) 1996, c 378 and IN THE MATTER OF an offer to purchase  
 ) dated August 13, 2024 between Deloitte Restructuring Inc.  
**COLUMBIA** ) (the “**Receiver**”), in its capacity as the Court-Appointed  
 ) Receiver and Manager of Haro-Thurlow Street Project  
 ) Limited Partnership, Haro and Thurlow GP Ltd. and  
**TO WIT:** ) Harlow Holdings Inc., and 1045 Haro Street Limited  
 ) Partnership (the “**Purchaser**”), purchaser, as amended,  
 ) modified and supplemented from time to time (collectively,  
 ) the “**Purchase Agreement**”), in respect of the purchase  
 ) and sale of the lands and premises located at 1045 Haro  
 ) Street and 830, 838, 842 and 846 Thurlow Street,  
 ) Vancouver, British Columbia and legally described as  
 ) Parcel Identifier: 030-552-265, Lot 1 Block 5 District Lot  
 ) 185 Group 1 New Westminster District Plan EPP85244  
 ) and all buildings, structures and improvements thereon  
 ) (collectively, the “**Real Property**”), with a completion date  
 ) anticipated to be on or about September 16, 2024 (the  
 ) “**Completion Date**”)

I, \_\_\_\_\_, of \_\_\_\_\_, British Columbia, DO  
 SOLEMNLY DECLARE THAT:

1. I am the \_\_\_\_\_ of Harlow Holdings Ltd. (the “**Nominee**”), the registered owner of the Real Property, and as such have personal knowledge of the matters hereinafter declared.
2. The Nominee is a company incorporated under the *Business Corporations Act* (British Columbia) on May 16, 2018 and will be a subsisting corporation under that statute on the Completion Date.
3. The Nominee is not a “non-resident” of Canada within the meaning of the *Income Tax Act* (Canada) as of the date of this Statutory Declaration and will not be a non-resident of Canada as of the Completion Date.
4. The Nominee holds registered title to the Real Property as nominee, agent and bare trustee for and on behalf of Haro-Thurlow Street Project Limited Partnership.
5. For the purpose of the Purchaser completing the Property Transfer Tax Return in respect of the Real Property, the following information is correct:

Registered Owner: \_\_\_\_\_ Harlow Holdings Ltd. \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_  
 Province \_\_\_\_\_  
 Telephone No. \_\_\_\_\_

6. I make this Statutory Declaration at the express request of the Purchaser in answer to the inquiry of the Purchaser made pursuant to section 116 of the *Income Tax Act* (Canada) as to whether the Nominee is a resident or non-resident of Canada. and in answer to the inquiry of the Purchaser as to the information required in order to enable to permit the Purchaser to complete the Property Transfer Tax Return in respect of the Real Property.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at )  
\_\_\_\_\_, in the Province )  
of British Columbia, this \_\_\_\_\_ day of )  
\_\_\_\_\_, 2024 )  
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 )  
 )  
\_\_\_\_\_)  
A Notary Public in and for the Province of )  
British Columbia )  
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**CANADA** ) IN THE MATTER OF the *Income Tax Act*, RSC 1985, c 1  
 ) (5<sup>th</sup> Supp.) and IN THE MATTER OF an offer to purchase  
**PROVINCE OF BRITISH** ) dated August 13, 2024 between Deloitte Restructuring Inc.  
 ) (the “**Receiver**”), in its capacity as the Court-Appointed  
**COLUMBIA** ) Receiver and Manager of Haro-Thurlow Street Project  
 ) Limited Partnership, Haro and Thurlow GP Ltd. and  
 ) Harlow Holdings Inc., and 1045 Haro Street Limited  
**TO WIT:** ) Partnership (the “**Purchaser**”), as purchaser, as amended,  
 ) modified and supplemented from time to time (collectively,  
 ) the “**Purchase Agreement**”), in respect of the purchase  
 ) and sale of the lands and premises located at 1045 Haro  
 ) Street and 830, 838, 842 and 846 Thurlow Street,  
 ) Vancouver, British Columbia and legally described as  
 ) Parcel Identifier: 030-552-265, Lot 1 Block 5 District Lot  
 ) 185 Group 1 New Westminster District Plan EPP85244  
 ) and all buildings, structures and improvements thereon  
 ) (collectively, the “**Real Property**”), with an anticipated  
 ) completion date of on or about September 16, 2024 (the  
 ) “**Completion Date**”  
 )

I, \_\_\_\_\_, of \_\_\_\_\_, British Columbia, DO  
 SOLEMNLY DECLARE THAT:

1. I am the Director of Haro and Thurlow GP Ltd. (the “**General Partner**”), the general partner of Haro-Thurlow Street Project Limited Partnership (the “**Limited Partnership**”), and as such have knowledge of the matters hereinafter declared.
2. The General Partner is the sole general partner of the Partnership and the only limited partners of the Partnership are Forseed Haro Holdings Ltd., 1104227 B.C. Ltd. and Terrapoint Developments Ltd.
3. The Limited Partnership is the beneficial owner of the Real Property.
4. The Limited Partnership is a limited partnership formed under the *Partnership Act* (British Columbia) on August 31, 2018 and will be a subsisting limited partnership under that statute on the Completion Date.
5. The General Partner is a company incorporated under the *Business Corporations Act* (British Columbia) on August 8, 2018 and will be a subsisting corporation under that statute on the Completion Date.
6. The General Partner is not a “non-resident” of Canada within the meaning of the *Income Tax Act* (Canada) as of the date of this Statutory Declaration and will not be a non-resident of Canada as of the Completion Date.

7. The General Partner is the beneficial owner of its interest in the Limited Partnership as of the date of this Statutory Declaration and will be the beneficial owner of such interest as of the Completion Date.
8. I make this Statutory Declaration at the express request of the Purchaser in answer to the inquiry of the Purchaser made pursuant to section 116 of the *Income Tax Act* (Canada) as to whether any person from whom the Purchaser is acquiring the Real Property is a non-resident of Canada.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at )  
\_\_\_\_\_, in the Province )  
of British Columbia, this \_\_\_\_\_ day of )  
\_\_\_\_\_, 2024 )  
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 )  
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\_\_\_\_\_)  
A Notary Public in and for the Province of )  
British Columbia )  
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<b>CANADA</b>  <b>PROVINCE OF BRITISH COLUMBIA</b>  <b>TO WIT:</b>	) IN THE MATTER OF the <i>Income Tax Act</i> , RSC 1985, c 1 ) (5 <sup>th</sup> Supp.) and IN THE MATTER OF an offer to purchase ) dated August 13, 2024 between Deloitte Restructuring Inc. ) (the “ <b>Receiver</b> ”), in its capacity as the Court-Appointed ) Receiver and Manager of Haro-Thurlow Street Project ) Limited Partnership, Haro and Thurlow GP Ltd. and ) Harlow Holdings Inc., and 1045 Haro Street Limited ) Partnership (the “ <b>Purchaser</b> ”), as purchaser, as amended, ) modified and supplemented from time to time (collectively, ) the “ <b>Purchase Agreement</b> ”), in respect of the purchase ) and sale of the lands and premises located at 1045 Haro ) Street and 830, 838, 842 and 846 Thurlow Street, ) Vancouver, British Columbia and legally described as ) Parcel Identifier: 030-552-265, Lot 1 Block 5 District Lot ) 185 Group 1 New Westminster District Plan EPP85244 ) and all buildings, structures and improvements thereon ) (collectively, the “ <b>Real Property</b> ”), with an anticipated ) completion date of on or about September 16, 2024 (the ) “ <b>Completion Date</b> ” )
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I, \_\_\_\_\_, of \_\_\_\_\_, British Columbia, DO  
 SOLEMNLY DECLARE THAT:

1. I am the \_\_\_\_\_ of \_\_\_\_\_ (the “**Limited Partner**”), one of the limited partners of Haro-Thurlow Street Project Limited Partnership (the “**Limited Partnership**”), the beneficial owner of the Real Property, and as such have knowledge of the matters hereinafter declared.
2. The Limited Partner is a company incorporated under the *Business Corporations Act* (British Columbia) on \_\_\_\_\_ and will be a subsisting corporation under that statute on the Completion Date.
3. The Limited Partner is not a “non-resident” of Canada within the meaning of the *Income Tax Act* (Canada) as of the date of this Statutory Declaration and will not be a non-resident as of the Completion Date.
4. The Limited Partner is the beneficial owner of its interest in the Limited Partnership as of the date of this Statutory Declaration and will be the beneficial owner of such interest as of the Completion Date.
5. I make this Statutory Declaration at the express request of the Purchaser in answer to the inquiry of the Purchaser made pursuant to section 116 of the *Income Tax Act* (Canada) as to whether the Limited Partner is a resident or non-resident of Canada.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at )  
\_\_\_\_\_, in the Province )  
of British Columbia, this \_\_\_\_\_ day of )  
\_\_\_\_\_, 2024 )

\_\_\_\_\_)  
A Notary Public in and for the Province of )  
British Columbia )

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CANADA	)	IN THE MATTER OF the <i>Income Tax Act</i> , RSC 1985, c 1
PROVINCE OF BRITISH	)	(5 <sup>th</sup> Supp.) and IN THE MATTER OF an offer to purchase
COLUMBIA	)	dated August 13, 2024 between Deloitte Restructuring Inc.
TO WIT:	)	(the “ <b>Receiver</b> ”), in its capacity as the Court-Appointed
	)	Receiver and Manager of Haro-Thurlow Street Project
	)	Limited Partnership, Haro and Thurlow GP Ltd. and
	)	Harlow Holdings Inc., and 1045 Haro Street Limited
	)	Partnership (the “ <b>Purchaser</b> ”), as purchaser, as amended,
	)	modified and supplemented from time to time (collectively,
	)	the “ <b>Purchase Agreement</b> ”), in respect of the purchase
	)	and sale of the lands and premises located at 1045 Haro
	)	Street and 830, 838, 842 and 846 Thurlow Street,
	)	Vancouver, British Columbia and legally described as
	)	Parcel Identifier: 030-552-265, Lot 1 Block 5 District Lot
	)	185 Group 1 New Westminster District Plan EPP85244
	)	and all buildings, structures and improvements thereon
	)	(collectively, the “ <b>Real Property</b> ”), with an anticipated
	)	completion date of on or about September 16, 2024 (the
	)	“ <b>Completion Date</b> ”)

I, \_\_\_\_\_, of \_\_\_\_\_, British Columbia, DO  
SOLEMNLY DECLARE THAT:

1. I am the \_\_\_\_\_ of \_\_\_\_\_ (the “**Partner**”), one of the partners of Haro-Thurlow Street Project Limited Partnership (the “**Limited Partnership**”), the beneficial owner of the Real Property, and as such have knowledge of the matters hereinafter declared.
2. The Partner is a partnership that was duly formed and is and will be as of the Completion Date validly existing under the laws of British Columbia.
3. The Partner is a Canadian partnership within the meaning of the *Income Tax Act* (Canada) as of the date of this Statutory Declaration and will be a Canadian partnership as of the Completion Date.
4. The Partner is the beneficial owner of its interest in the Limited Partnership as of the date of this Statutory Declaration and will be the beneficial owner of such interest as of the Completion Date.
5. I make this Statutory Declaration at the express request of the Purchaser in answer to the inquiry of the Purchaser made pursuant to section 116 of the *Income Tax Act* (Canada) as to whether the Partner is a Canadian partnership for purposes of the *Income Tax Act* (Canada).

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

[illegible]

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## **SCHEDULE D**

### **RETAINED ASSETS AND RETAINED LIABILITIES**

#### **Part I – Retained Assets**

1. Legal title to the Real Property.
2. Any interest of the Nominee in the Leases, the Chattels and (to the extent the Purchaser elects to assume them), the Service Contracts.
3. The benefit of any prepaid expenses (including, without limitation, property taxes in respect of the Real Property, which will be subject to adjustment on closing).

#### **Part II – Retained Liabilities**

4. Liabilities for property taxes in respect of the Real Property.
5. Liabilities arising from and after the Completion Date in respect of the Real Property, the Leases, the Chattels and (to the extent the Purchaser elects to assume them), the Service Contracts.

## Appendix "E"

### Receiver's Statement of Receipts and Disbursements for the period from January 12, 2024 to August 13, 2024

In the Matter of the Receivership of  
Haro-Thurlow Street Project LP et al.  
Interim Actual Statement of Receipts and Disbursements  
For the Period from January 11, 2024 to August 13, 2024

Description	Note	Actual
<b>Receipts</b>	<b>1</b>	
Rental payments to July 2024	<b>2,3</b>	\$ 880,000
Interest Income		4,590
<b>Total Receipts</b>		<b>884,590</b>
<b>Disbursements</b>		
Receiver's Fees and Costs to June 30, 2024		137,212
Receiver's Legal Fees and Costs to June 30, 2024		165,179
Net GST and PST Paid on Disbursements		11,273
Accounting Services		10,000
Contract Services		2,978
Miscellaneous		536
<b>Total Disbursements</b>		<b>327,178</b>
<b>Excess of Receipts over Disbursements</b>		<b>\$ 557,412</b>

#### Notes

- 1 Receipts include the deposit being held by the Receiver pursuant to the purchase and sale agreement between the Receiver and 1045 Haro Street Limited Partnership dated August 13, 2024. The amount has not been disclosed for confidentiality reasons.
- 2 Rental payments from FirstService Residential ("**First Service**") represent a portion of the commercial and residential rents collected by First Service up to July 31, 2024 that have been forwarded to the Receiver.
- 3 On March 12, 2024 a commercial rent payment allocation of \$50,000 was paid from First Service to Haro-Thurlow Street LP ("**HTLP**"). This payment, along with a January 12, 2024 payment of \$175,000 (which was made after the date of receivership), was swept out of the HTLP account by BMO in the normal course. The rent payments have all been forwarded to the Receiver from First Service since this time.