

Deloitte.



NO. S-245340
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

THE TORONTO-DOMINION BANK

PETITIONER

AND:

**UPPAL FARMS & GREENHOUSES LTD., BHALVINDER KAUR THANDI, AND
JAGRAJBIR KAUR UPPAL**

RESPONDENT

**FIRST REPORT OF THE COURT APPOINTED RECEIVER
OF UPPAL FARMS & GREENHOUSES LTD. AND CERTAIN PROPEPRTY OF
BHALVINDER KAUR THANDI AND JAGRAJBIR KAUR UPPAL**

DATED FEBRUARY 13, 2025

PREPARED BY DELOITTE RESTRUCTURING INC.

TABLE OF CONTENTS

| | |
|---|----|
| INTRODUCTION | 1 |
| Purpose of the First Report..... | 1 |
| Terms of reference..... | 2 |
| BACKGROUND | 2 |
| Books and records | 3 |
| Background on the financial difficulties faced by Uppal Farms | 3 |
| POWERS OF RECEIVER..... | 3 |
| ACTIONS OF THE RECEIVER..... | 4 |
| ASSETS OF THE COMPANY | 5 |
| Cash..... | 5 |
| Accounts receivable | 5 |
| Security deposit | 6 |
| Inventory | 6 |
| Furniture, equipment and vehicles..... | 6 |
| Land and buildings..... | 6 |
| THE RECEIVER'S SALE ACTIVITIES..... | 6 |
| Lot 5 sales activity | 7 |
| Proposed Transaction | 7 |
| CREDITORS AND SECURED CHARGES..... | 8 |
| CRA priority claims | 8 |
| Wage claims | 8 |
| Property taxes | 8 |
| Receiver's charge and borrowings..... | 8 |
| TD indebtedness..... | 9 |
| ACC indebtedness..... | 9 |
| Other secured debts..... | 9 |
| Unsecured creditors | 10 |
| STATEMENT OF RECEIPTS AND DISBURSEMENTS | 10 |
| PROPOSED DISTRIBUTION | 10 |
| CONCLUSIONS AND RECOMMENDATIONS | 10 |

APPENDICES

- Appendix "A" – Receiver's Interim Statement of Receipts and Disbursements for the period from November 5, 2024 to February 3, 2025
- Appendix "B" – NAI Marketing Update dated January 2025
- Appendix "C" – Contract of purchase and sale between the Receiver and K&K Properties Ltd. dated December 21, 2024 for the purchase of Lot 5

INTRODUCTION

1. This report (the "**First Report**" or "**this Report**") is filed by Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as Court-appointed Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and property of Uppal Farms & Greenhouses Ltd. ("**Uppal Farms**" or the "**Company**"), and certain assets of Bhalvinder Kaur Thandi ("**Bhalvinder**") and Jagrajbir Kaur Uppal ("**Jagrajbir**", and together with Bhalvinder, the "**Uppals**"), as detailed below.
2. Pursuant to an application made by the Toronto-Dominion Bank ("**TD**"), the Supreme Court of British Columbia (the "**Court**") made an Order dated November 5, 2024 (the "**Date of Receivership**") appointing Deloitte as Receiver (the "**Receivership Order**") of all assets, undertakings and property of Uppal Farms, including the lands having a civic address of 34211 Hallert Road, Abbotsford, British Columbia ("**Lot 5**", collectively, the "**Company Property**"), and the lands owned by the Uppals having a civic address of 34050 Hallert Road, Abbotsford, British Columbia ("**Lot 10**"), together with the Company Property, the "**Property**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
3. TD holds a security interest in all presently owned and after acquired personal and real property of the Company and a floating charge on land, registered in the BC Personal Property Registry (the "**PPR**") on June 1, 2021 and August 12, 2024, in addition to first mortgages on Lot 5 and Lot 10 (the "**TD Security**") and several personal guarantees. TD has various credit facilities in place and was owed approximately \$12.5 million (the "**TD Debt**") as of October 23, 2024 by the Company and the Uppals (as their debt relates to the Property).
4. Agricultural Credit Corporation ("**ACC**") holds a security interest against Uppal Farms and the Uppals on all pepper crops and proceeds derived from the sale of such crops, registered in the PPR on May 11, 2022 (the "**ACC Security**") for which cash advances were issued under the Advance Payments Program of the *Agricultural Marketing Programs Act*. ACC was owed approximately \$213,000 as of February 12, 2025.
5. The Receiver's independent legal counsel, Dentons Canada LLP ("**Dentons**"), has completed an independent review of the TD Security and, subject to the customary qualifications and restrictions, has advised that it is valid and enforceable, and that TD has taken the necessary steps to perfect its security interests as against third parties, subject to standard assumptions and qualifications (the "**TD Security Opinion**").
6. Following the issuance of the Receivership Order, the Receiver issued a statutory Notice and Statement of the Receiver (the "**Notice to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**").
7. The Receivership Order, together with the Notice to Creditors and various Court materials have been posted on the Receiver's website at www.insolvencies.deloitte.ca/en-ca/UppalFarms (the "**Receiver's Website**"). The First Report will also be posted to the Receiver's Website after it has been filed with the Court.
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 Company's 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 interim statement of receipts and disbursements from the Date of Receivership to February 3, 2025 (the "**Receiver's R&D**"), a copy of which is attached hereto as **Appendix "A"**.
- d. To report on the sale process undertaken by the Receiver (the "**Sale Process**") to realize on the Property.
- e. To provide an overview of the salient terms of the contract of purchase and sale between the Receiver and K&K Properties Ltd. ("**K&K**" or the "**Purchaser**") dated December 21, 2024 for the purchase of Lot 5 (the "**K&K Offer**") that is being presented to the Court for approval.
- f. To report on the Receiver's recommendation regarding a distribution of the transaction proceeds to TD in relation to the K&K Offer.
- g. To support the Receiver's application(s) for the following orders:
 - i. Approving the activities of the Receiver as described in this First Report.
 - ii. Approving the Receiver's R&D.
 - iii. Authorizing and directing the Receiver to complete the transaction pursuant to the K&K Offer (the "**Transaction**") and carrying out all steps necessary to do so.
 - iv. Approving and authorizing the Receiver to make an interim distribution to TD pursuant to the Distribution Order (as defined later herein).

Terms of reference

- 10. In preparing this Report, the Receiver has relied upon unaudited financial and other information prepared by the Company's accountants, the Company's books and records, and discussions with management of the Company, Mr. Gurminder Uppal ("**Management**" or "**Gurminder**").
- 11. 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.
- 12. All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

- 13. Uppal Farms was incorporated in British Columbia ("**BC**") in October 2013 and the directors of Uppal Farms are Jagrajbir, Bhalvinder, Gurminder, and Mr. Pawanbir Singh Uppal ("**Pawanbir**"). The Receiver understands that the Uppals are the primary shareholders of the Company.
- 14. Uppal Farms is an Abbotsford, BC-based producer of bell peppers which operates from Lot 10 owned by the Uppals. The Company also owns the nearby Lot 5, which is used to accommodate temporary foreign workers for the bell pepper operations and to generate rental income on the barns and farming grounds located on the property.
- 15. Uppal Farms primarily sold its product to two customers leading up to the Date of Receivership including Windset Holdings 2010 Ltd. ("**Windset Farms**") and Fruiticana Produce Ltd.

("Fruiticana"). These customers purchased the Company's peppers for distribution to grocery stores in BC and the United States.

Books and records

16. The Company maintains hard copy books and records which are located at Lot 10. Limited electronic records are held by the Company's former accountants, Vohora LLP ("**Vohora**"), and payroll processor, Wadhawan & Associates Ltd. ("**Wadhawan**").
17. The books and records do not appear to have been updated since August 2024, at which time Vohora resigned given the Company's outstanding debt owing to them.
18. As at the Date of Receivership, Vohora had partially completed a review engagement for the Company's December 31, 2023 annual financial statements and the most recent external financial statements are from December 31, 2022.

Employees and contractors

19. As at the Date of Receivership, Uppal Farms had five employees (the "**Existing Employees**") including, Gurminder as general manager, Pawanbir as head grower, and three farm labourers. The Receiver understands that Gurminder and Pawanbir are related to the Uppals and live with them at the residence located on Lot 10.
20. The Receiver retained two of the farm labourers until November 30, 2024, and the other until December 15, 2024, to assist with the clean-out of the greenhouses located on Lot 10 that are used to grow the peppers. The Receiver also retained a third party to provide contract labour to assist with the clean-out.
21. The Receiver has now terminated all employees with the exception of Gurminder and Pawanbir who continue to oversee the Property.

Background on the financial difficulties faced by Uppal Farms

22. The business and affairs of Uppal Farms and the events leading up to the Company's insolvency are described in further detail in the first affidavit of Krista Hotel of TD dated October 25, 2024 (the "**Hotel Affidavit**") and, accordingly, have not been repeated in this First Report. A copy of the Hotel Affidavit is available on the Receiver's Website.
23. As a result of various defaults outlined in the Hotel Affidavit, TD issued demands for the repayment of the TD Debt with the Company and the Uppals in July 2024 and moved to appoint Deloitte as Receiver on November 5, 2024.
24. The Receiver understands that the Uppals have been exploring various refinancing options for the Property since the summer of 2024 but they have not been successful to date.

POWERS OF RECEIVER

25. 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; the power to manage, operate, and carry on the business of the Company; and the power to market and sell the Property, subject to Court approval if any one transaction exceeds \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000.
26. Paragraph 2 of the Receivership Order also directed the Receiver to accept the offer of \$4,110,000 dated October 9, 2024 as between the Company and 1402574 BC Ltd. for Lot 5 (the "**Original Lot 5 Offer**") as negotiated by NAI Commercial Realty Ltd. ("**NAI**") as the listing agent for the Company.

ACTIONS OF THE RECEIVER

27. The Receiver has taken the following steps with respect to the assets and operations of Uppal Farms since the Date of Receivership:

- a. Attended at Lot 5 and Lot 10 and met with the Uppals and Gurminder to tour the properties and buildings and inform them of the Receivership Order;
- b. Retained NAI to be the listing agent for the Receiver for Lot 5 and Lot 10;
- c. Accepted the Original Lot 5 Offer and worked with NAI to move the offer forward, as further detailed later in this Report;
- d. Advised the Company's insurance broker of the Receivership Proceedings and confirmed and arranged for amendments to the existing insurance policies to reflect the Receivership Proceedings, have the Receiver added as named insured, and remove unrelated properties that the Receiver understands were the previous residences of the Uppals and sold to an unrelated party;
- e. Arranged to freeze the bank accounts of the Company, as further detailed later in this Report;
- f. Held multiple meetings with Gurminder to discuss the operations of the Company, obtain updates, tour the premises, collect accounts receivable ("**AR**"), and coordinate the clean-up of the greenhouses on Lot 10;
- g. Arranged for FortisBC to reactivate the gas line to ensure adequate heat in the greenhouses during the winter;
- h. Communicated with Windset Farms and Fruiticana and directed that any outstanding AR be paid into the Receiver's trust account;
- i. Retained Dentons to act as legal counsel to the Receiver;
- j. Coordinated payment of employees and the completion of T4s with Wadhawan;
- k. Terminated employees and gathered the information required to prepare the various notices and related employee claims pursuant to the *Wage Earner Protection Program Act* ("**WEPPA**");
- l. Prepared and issued notices required under the BIA including the Notice to Creditors;
- m. Activated the Receiver's Website and posted documents related to the Receivership Proceedings;
- n. Liaised with various creditors and other stakeholders relating to the Company's outstanding liabilities and the Receivership Proceedings;
- o. Contacted the Canada Revenue Agency ("**CRA**") to review the payroll remittance and goods and services tax ("**GST**") accounts to facilitate filings for the period after the Date of Receivership;
- p. Coordinated the set-up of the Receiver's trust account and completed various estate accounting;
- q. Held discussions with and provided various updates to TD and/or its legal counsel;
- r. Held discussions with NAI regarding the marketing of Lot 5 and Lot 10, concerns on market feedback, and negotiations on various offers received, as further detailed later in this Report; and

- s. Prepared this Report.

ASSETS OF THE COMPANY

Cash

28. The Company had no funds in its TD bank accounts at the Date of Receivership.
29. The Receiver was made aware on or around November 6, 2024 that the Company and the Uppals had opened or were using another bank account (the "**Khalsa Bank Account**") at Khalsa Credit Union ("**Khalsa**"). The Receiver immediately notified Khalsa of its appointment and for Khalsa to freeze the Khalsa Bank Account and requested that any remaining funds be sent to the Receiver. Khalsa confirmed that no funds remained in the Khalsa Bank Account and provided bank statements. The bank statements indicated that total receipts and disbursements of \$89,900 had been processed through the Khalsa Bank Account during the period from October 16, 2024 to November 30, 2024 and included AR collections of approximately \$89,900 and \$89,900 in disbursements for utilities, wages, legal fees, and fees related to the Company's refinancing efforts.
30. The Receiver reviewed payment remittances from Windset Farms and identified that there was another personal Khalsa bank account in the name of Bhalvinder ("**Bhalvinder's Khalsa Account**") that was also being used to deposit Company AR collections. The Receiver has made several requests to Gurminder to obtain the bank statements for Bhalvinder's Khalsa Account but these have not been provided to date and the Receiver is not certain of the quantum of Company funds diverted through this account. The Receiver continues to follow up with Gurminder to receive copies of the bank statements related to Bhalvinder's Khalsa Account and has recently attempted to receive the accounts directly from Khalsa (despite the Receivership Order not being clear if bank accounts are in scope) and is awaiting a response.
31. The Receiver also noted that the Company had a bank account at the Bank of Montreal, but it appeared to have no recent activity and no funds remaining in it. The Receiver contacted the Bank of Montreal on November 12, 2024 and was informed that the account was closed prior to the Date of Receivership.

Accounts receivable

32. The Receiver was able to obtain an AR listing for the Company dated August 31, 2024 which reflected a total AR balance of approximately \$570,000. Of this amount, approximately \$150,000 was related to a carbon tax relief credit (the "**Carbon Tax Credit**").
33. The Receiver contacted Windset Farms and Fruiticana to substantiate the AR outstanding to Uppal Farms at the Date of Receivership and to ensure no further payments were made to the Khalsa Bank Account.
34. The Receiver has collected approximately \$175,530 in gross AR from Windset Farms and Fruiticana to date which net to approximately \$125,530 (the "**Net AR Collections**") after approximately \$50,000 in direct costs including commissions, freight, and other sales costs. The Receiver does not anticipate any further collections.
35. The Net AR collections are subject to the ACC Security.
36. The Receiver understands that the Carbon Tax Credit represents an exemption on certain utility invoices tied to Lot 10, rather than an amount actually receivable. No further details regarding the Carbon Tax Credit have been obtained and the Receiver does not foresee any recoveries.

Security deposit

37. Uppal Farms reported a security deposit of \$148,000 in its August 31, 2024 financial statements but the Receiver has not been provided with any supporting details. The Receiver expects that this relates to a security deposit for utilities which has likely been more than offset by the pre-receivership arrears owing to the utility company. The Receiver will continue to investigate the remaining balance.

Inventory

38. The Company's inventory is comprised of bell pepper seeds and plants, containers, twine, fertilizer, chemicals and pesticides. The Company reported inventory with a cost of approximately \$1.3 million as at August 31, 2024.
39. The plant inventory for the 2024 season has all been sold since the Date of Receivership and the AR has been collected. The remaining fertilizer and supplies inventory is negligible, has no significant realizable value, and will be included in a sale of Lot 10.

Furniture, equipment and vehicles

40. The Company's furniture, equipment and vehicles were reported to have a net book value of approximately \$182,000 as of August 31, 2024 and will be included in the sale of Lot 5 and Lot 10.

Land and buildings

41. The Company owns Lot 5 which is a 38.54 acre farm property with approximately 35.75 acres planted with blueberries. Improvements on Lot 5 include, among other things, two domed buildings, a barn and a rancher style home. The Receiver understands that the farm is rented out on an annual basis along with certain of the buildings rented/leased to commercial tenants with unregistered lease interests. The Receiver has not been provided with any lease or other agreements with these parties (the "**Lot 5 Tenants**") and has not been paid any rent to date that it understands is paid to the Uppals. Lot 5 was assessed for property taxes at \$3.6 million as of July 1, 2023, and \$4.6 million as of July 1, 2024. As of January 15, 2025, property taxes for 2024 in the amount of \$18,774 remain outstanding with the City of Abbotsford for Lot 5.
42. The Uppals own Lot 10 which is approximately 19.78 acres and includes two greenhouses totaling 615,440 square feet along with a service room and office, as well as an 11,431 square foot residence occupied by the Uppals, Gurminder, Pawanbir, and other family members. Lot 10 was assessed for property taxes at \$3.9 million as of July 1, 2023, and \$5.4 million as of July 1, 2024. As of January 15, 2025, property taxes for 2024 in the amount of \$258,302 remain outstanding with the City of Abbotsford for Lot 10.
43. The properties are both listed by the Receiver with NAI and details of the listings and the related sales activities are outlined later in this Report.

THE RECEIVER'S SALE ACTIVITIES

44. At the outset of the Receivership Proceedings, the Receiver executed the Original Lot 5 Offer as directed by the Receivership Order and provided a copy to NAI.
45. The Receiver also engaged with NAI and, with the agreement of TD, entered into new six-month listing agreements with NAI for both properties. The initial list price for Lot 5 was set at \$4.6 million and Lot 10 was set at \$13.0 million (this was reduced from the NAI list price of \$15.5 million at the Date of Receivership).

46. The properties have been extensively marketed by NAI before and subsequent to the Date of Receivership. This marketing includes, among other things, posting the listings on eight websites, emailing listing broadcasts to 400 NAI offices worldwide along with various real estate boards and brokers, advertising, and direct solicitation. These activities are more fully outlined in the NAI Marketing Report dated January 2025 (the "**NAI Marketing Report**"). The NAI Marketing Report is attached hereto as **Appendix "B"**.

Lot 5 sales activity

47. Lot 5 was initially listed for sale with another sales agent by Uppal Farms on April 1, 2024 at a list price of \$5.2 million. The list price was subsequently reduced to \$4.8 million and then again to \$4.6 million. The listing expired on July 30, 2024.
48. Lot 5 was relisted by Uppal Farms with NAI on or about August 1, 2024 at a list price of \$4.6 million.
49. Between August 7, 2024 and September 3, 2024 several offers were tendered for Lot 5 by the same buyer (the "**Prospective Purchaser**") which Uppal Farms did not accept. These offers are detailed in the NAI Marketing Report.
50. On September 12, 2024, the Prospective Purchaser submitted a final offer in the amount of \$4.11 million, to which Uppal Farms did not respond.
51. Based on concerns by TD that the offer would fall through, the Original Lot 5 Offer of \$4.11 million was prepared by TD's counsel which a receiver, if appointed, could accept on behalf of Uppal Farms.
52. Immediately upon its appointment, the Receiver accepted the Original Lot 5 Offer, which was subject to a number of conditions.
53. The Original Lot 5 Offer subsequently collapsed as the Prospective Purchaser could not satisfy the conditions due, in part, to what the Receiver understands to be the poor state of the various improvements and buildings on the property.
54. Since its appointment on November 5, 2024, the Receiver has continued to list Lot 5 with NAI with a list price of \$4.6 million.
55. On or about December 21, 2024, K&K and the Receiver entered into the K&K Offer to purchase Lot 5 for \$3.65 million (the "**Purchase Price**").
56. The K&K Offer was subject to various conditions to be satisfied by January 15, 2025. On January 13, 2025, K&K removed all conditions and the only remaining condition to satisfy to complete the transaction is obtaining approval of the transaction by the Court. K&K provided a \$200,000 deposit to NAI on January 15, 2025. The Transaction is set to close 30 days after Court approval. A copy of the K&K offer is attached hereto as **Appendix "C"**.
57. The K&K offer requires vacant possession and the Receiver is in the process of sending notices to the Lot 5 Tenants to vacate Lot 5 by March 28, 2025.

Proposed Transaction

58. During the listing period, NAI has coordinated several private appointments to view Lot 5. NAI has confirmed in the NAI Marketing Update that the Purchase Price is aligned with fair market value for Lot 5.
59. Since the execution of the K&K Offer, NAI has continued to market Lot 5 and seek competing bids pursuant to the Court's Practice Direction #62.
60. The Receiver's comments on the Transaction are as follows:

- a. Lot 5 has been extensively marketed since April 2024.
 - b. The timing and other terms in the K&K Offer are reasonable in the Receiver's experience, having regard to its involvement with transactions in other mandates.
 - c. The Purchase Price appears reasonable based on the other offers received, the market response to date, and the recommendation of NAI.
61. TD, as the primary secured creditor of Uppal Farms and Lot 5, is supportive of the Transaction.
62. Based on the above, the Receiver therefore seeks approval of the Transaction for \$3.65 million.

CREDITORS AND SECURED CHARGES

CRA priority claims

63. The Receiver has accessed the Company's online accounts with CRA in relation to payroll source deductions ("**PSD**") and GST. These accounts indicate that the Company currently owes CRA \$3,597 in PSD and there is no liability in respect of GST.
64. The Receiver understands that there has not been any GST returns filed since June 30, 2024 and amounts may be owing to CRA as a result of sales and other receipts that took place since then. The Receiver is currently compiling documents to file these returns.
65. CRA contacted the Receiver in late January 2025 to arrange for PSD and GST trust examinations for the Company and additional liabilities may be assessed as a result. The Receiver is currently assembling the information required for CRA's trust audits.

Wage claims

66. In the six months prior to filing, the Receiver understood from the Existing Employees that three payrolls were missed, including to seven additional former employees (the "**Former Employees**") who were not employed by the Company as at the Date of Receivership.
67. Unpaid wages and vacation pay for both the Existing Employees and Former Employees, with the exception of Gurminder and Pawanbir, total \$20,000 in super-priority wage and vacation pay claims payable under WEPP that will rank in priority to all secured claims with the exception of pre-registered mortgage security. Additional amounts for unpaid wages, vacation pay, and severance are payable but these amounts are unsecured and do not rank in priority to the TD Security.

Property taxes

68. As discussed above, as of January 15, 2025, property taxes for 2024 remain unpaid on both Lot 5 and Lot 10 in the amounts of \$18,774 and \$258,302, respectively.

Receiver's charge and borrowings

69. Pursuant to paragraph 20 of the Receivership Order, the Receiver and its legal counsel, are the beneficiaries of the Receiver's charge (the "**Receiver's Charge**") to secure payment of their fees and disbursements incurred in the Receivership Proceedings. The Receiver's Charge is a first-ranking charge over the Property but subordinate to the charges, if any, created pursuant to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
70. Pursuant to paragraph 23 of the Receivership Order, the Receiver is authorized to borrow up to \$350,000 without further approval of the Court for the purpose of carrying out its duties and powers (the "**Borrowing Facility**"). As at the date of this First Report, the Receiver has borrowed \$150,000 under the Borrowing Facility.

TD indebtedness

71. As noted above, the TD Debt totaled approximately \$12.5 million as of October 23, 2024. TD has valid and enforceable security as reported in the TD Security Opinion and interest continues to accrue on the TD Debt.
72. The TD Security is subject to certain prior ranking Court-ordered charges and statutory interests, which include:
 - a. The Receiver's Charge;
 - b. The Receiver's Borrowing Charge (as that term is defined in the Receivership Order); and
 - c. Certain deemed trust and priority claims.
73. In the event that the Court approves the Transaction, the anticipated net realizations in the Receivership Proceedings are expected to be lower than the TD Debt, even with the anticipated sale of Lot 10. Accordingly, TD is expected to suffer a deficit in respect of its secured debt.

ACC indebtedness

74. As noted above, the ACC Debt totaled approximately \$213,000 as at February 12, 2025. If the ACC Security is determined to be valid and enforceable, it is estimated to total the Net AR Collections amount of \$125,530, before any priority claims or the allocation of any of the costs of the Receivership Proceedings between ACC and TD.

Other secured debts

75. The Receiver understands that the following additional debts are secured by the Property, the priority of which is subordinate to the TD Security based on the TD Security Opinion:
 - a. Due Huy Ngo, Jasvir Kaur Johal and Daljit Singh Gill, are the holders of a second mortgage registered against the Lot 5 Lands. The Receiver understands that TD's consent was not sought or obtained prior to the registration of the second mortgage;
 - b. MKR Growers Ltd. and MGB Ent. Ltd., are the holders of a certificate of pending litigation registered against the Property subordinate in priority to the Property mortgages. In the underlying action, these respondents claim that the Debtors owe a debt totaling \$278,611, primarily in respect of the provision of farm labourers and the performance of certain labour-related services;
 - c. The Crown in Right of British Columbia, is the holder of two crown liens registered against the interest of Jagrajbir subordinate in priority to the Lot 10 TD mortgage. The crown liens are for the amounts of \$24,576 and \$23,924 respectively;
 - d. His Majesty the King in Right of Canada, is the holder of a judgment registered against the interest of Jagrajbir subordinate in priority to the Lot 10 TD mortgage. The judgment is in the amount of \$28,274;
 - e. Vohora LLP holds a certificate of pending litigation due to accounting fee arrears totaling approximately -\$257,340.74 plus interest and costs as at October 22, 2024; and
 - f. The Bank of Nova Scotia, ACC, DeLage Landen Financial Services Inc. and Linde Canada Inc., hold registrations against Uppal Farms, Bhalvinder and/or Jagrajbir in the PPR.

Unsecured creditors

76. Based on the available books and records of the Company, the Receiver estimates total unsecured creditor claims of approximately \$2.0 million as of the Date of Receivership.
77. Given that the secured creditors are expected to suffer a shortfall in respect of their various security, the Receiver does not expect any distributions to any unsecured creditors.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

78. The Receiver's R&D reflects the administration of the Receivership Proceedings from the Date of Receivership to February 3, 2025 and is attached hereto as **Appendix "A"**.
79. As of February 3, 2025, the Receiver's gross receipts amounted to \$325,544, primarily relating to \$175,530 in gross AR collections and \$150,000 borrowed under the Borrowing Facility.
80. During the same period, the Receiver has made disbursements totaling approximately \$288,240, including, among other items, \$77,014 for Receiver's fees, \$66,030 for contract labour, \$52,558 for insurance premiums, and \$49,912 for commissions, freight and other sales costs.
81. The net cash balance held by the Receiver as of February 3, 2025 was approximately \$37,304.

PROPOSED DISTRIBUTION

82. Subject to Court approval and granting of a distribution order allowing the Receiver to make an interim distribution to TD pursuant to the TD Security, as confirmed by the TD Security Opinion (the "**Distribution Order**"), the Receiver will make an interim distribution to TD after retaining a balance to satisfy any potential priority claims that may be advanced and the remaining Receiver's and Dentons' fees and disbursements, pending further order of the Court.

CONCLUSIONS AND RECOMMENDATIONS

83. Based on the foregoing, the Receiver respectfully requests that the Court grant the Orders cited at paragraph 10(g) of this First Report.

All of which is respectfully submitted at Vancouver, BC this 13th day of February, 2025.

DELOITTE RESTRUCTURING INC.

In its Capacity as Court-appointed Receiver of
Uppal Farms & Greenhouses Ltd. and certain assets of
Bhalvinder Kaur Thandi and Jagrajbir Kaur Uppal
and not in its personal capacity



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

Appendix "A"

**Receiver's Interim Statement of Receipts and Disbursements
for the period from November 5, 2024 to February 3, 2025**

**In the Matter of the Receivership of
Uppal Farms & Greenhouses Ltd.**

**Receiver's Interim Statement of Receipts and Disbursements
From November 5, 2024 to February 3, 2025**

Receipts

| | |
|---------------------------------|------------|
| Accounts receivable collections | \$ 175,530 |
| Receiver Borrowings | 150,000 |
| Cash in bank | 14 |

| | |
|-----------------------|----------------|
| Total Receipts | 325,544 |
|-----------------------|----------------|

Disbursements

| | |
|---|--------|
| Receiver's fees | 77,014 |
| Contract labour | 66,030 |
| Insurance premium | 52,558 |
| Commission, freight and other sales costs | 49,912 |
| GST | 10,687 |
| Wages | 9,568 |
| Contractor equipment charges | 9,350 |
| Receiver's legal fees | 5,406 |
| Utilities | 4,500 |
| Accounting services | 2,625 |
| PST | 372 |
| Miscellaneous | 217 |

| | |
|----------------------------|----------------|
| Total Disbursements | 288,240 |
|----------------------------|----------------|

| | |
|--|------------------|
| Excess of Receipts over Disbursements | \$ 37,304 |
|--|------------------|

Appendix "B"

NAI Marketing Update dated January 2025



NAICommercial

BELL RD

HALLERT RD

MARKETING UPDATE

Date: January 2025

34211 Hallert Road
Abbotsford, BC

Days on the Market

168 days

(August 1, 2024 – present at the time of this report)

List Price

\$4,600,000

Gary Haukeland*
Senior Vice President
604 691 6693
ghaukeland@naicommercial.ca
*Personal Real Estate Corporation

J-D Murray
Senior Associate
604 691 6664
jdmurray@naicommercial.ca

NAI Commercial
1075 W Georgia St, Suite 1300
Vancouver, BC V6E 3C9
+1 604 683 7535
naibc.ca

Offers to Date (to The Borrower)

Date: August 7, 2024

Buyer: 1491125 B.C. Ltd.

Price: \$3,700,000 (subject to due diligence until August 30, 2024)

Comments: The Seller countered at \$4,500,000 on August 9, 2024, with a shorter Completion Date. The Buyer countered at \$3,950,000 on August 13th and the Seller countered back \$4,300,000 on August 14th. The Buyer then countered back at their last price of \$3,950,000, citing that this was the highest they were willing to offer. The Seller did not respond and the offer expired on August 15th 2024.

Date: August 25, 2024

Buyer: 1491125 B.C. Ltd.

Price: \$3,970,000 (subject to due diligence until September 18, 2024)

Comments: The Seller did not counter. The Buyer resubmitted their offer again on August 28th, and the Seller did not respond.

Date: September 3, 2024

Buyer: 1402574 B.C. Ltd.

Price: \$4,000,000 (subject to due diligence until October 2, 2024)

Comments: This was the same buyer group as before under a different numbered company. The Seller did not respond. The Buyer resubmitted a higher offer of \$4.1M on September 12th (subject removal October 14th), and the Seller did not respond. We have received a "final" offer from this buyer group for \$4,110,000 (subject removal October 28th), and we are awaiting comments from the Seller.

Offers to Date (to The Receiver)

Date: November 5, 2024

Buyer: 1402574 B.C. Ltd.

Price: \$4,110,000 (subject to due diligence until December 6, 2024)

Comments: Deloitte Restructuring Inc. was made court appointed Receiver on November 5, 2024, and subsequently accepted the \$4,110,000 offer on November 6th. However, upon a physical inspection of the improvements on the subject property, the Buyer informed us that they would not waive their conditions and forwarded a general release from the contract of purchase on November 29th.

Date: December 2, 2024

Buyer: K & K Properties Ltd.

Price: \$3,450,000 (subject to due diligence until December 20, 2024)

Comments: The Receiver verbally countered at \$4,110,000 on December 3rd, with instructions to rewrite the offer on a standard commercial contract of purchase, and other terms stricken as they contradicted the Schedule "A." The Buyers visited the property on December 6th, and subsequently rewrote a "final" counteroffer of \$3,650,000. The Receiver counteroffered a final time on December 17th for \$3,850,000, and Buyers remained at their previous counter price of \$3,650,000. The Receivers accepted the offer of \$3,650,000 on December 23, 2024.



Internet

The property was marketed on the following websites, offering full Internet exposure.

- ▶ naibc.ca
- ▶ REALTOR.ca
- ▶ naiglobal.com
- ▶ Loopnet.com
- ▶ INTERFACEExpress.com
- ▶ CoStar.com
- ▶ bccls.paragonrels.com
- ▶ FarmMarketer.com

Since the property was listed for sale on August 1, 2024, 395 prospects have viewed the properties in an online property search across all the above real estate websites.

To-date, there have been 14 direct inquiries from potential buyers and/or their brokers, and we have conducted close to 4 physical tours of the subject property.

Listing Broadcast

The property have been e-mailed out as an NAI Global Opportunity Broadcast Message to all NAI offices worldwide, totaling over seven thousand recipients, in 400 offices.

On August 14, 2024, the property was e-mailed out in the Real Estate Board of Greater Vancouver's Commercial Division's Commercial Broadcast E-mail Service to all commercial members of the Fraser Valley and Greater Vancouver Real Estate Boards – totalling over 900 commercial brokers. In addition, the properties have been marketed to all BC Northern, Okanagan, Kootenay, and Kamloops Board members through INTERFACEExpress.com and bccls.paragonrels.com.



Direct Solicitation

- ▶ Direct emails have been made to our data base of agricultural developers; investors & high net worth end users.
- ▶ Select phone calls have been made to targeted prospects.

Media

- ▶ Advertising was secured in the Western Investor in the July 2024 issue

Broker Cooperation

- ▶ E-mail and phone call enquiries are being followed up with other brokers and detailed information packages have been forwarded.

Signage

- ▶ A 4'X8' sign has been ordered for the property to be installed on the northwest corner of Hallert and Bells Roads for maximum exposure to traffic.

Market Response to Date

- ▶ The subject property was previously marketed by the defaulted borrower since April 1, 2024, beginning at a price of \$5,199,900, until July 30, 2024, at a reduced price of \$4,800,000. The price was reduced once throughout the course of the 4-month marketing process, where several offers were accepted, but did not complete.
- ▶ After speaking with several farmers and agents familiar with the subject property, the general consensus has been that the decommissioned dairy barn on the subject property would require considerable investment to bring up to code.
- ▶ The current tenancies have brought in an approximate net annual income of \$84,522±. However, the blueberry tenant has not renewed his lease for next season.
- ▶ The improvements on the subject property are in fair to poor condition, with the exception of the two hoop barns.
- ▶ With the exception of the former buyer group that did not waive their conditions, all other prospective purchasers have expressed that they would not submit offers over the \$4.0M range. One prospect was unable to achieve financing, based on the property's current income.

Recommendations

Therefore, based on the foregoing, and the fact that the subject property has been exposed to the market for nearly 6 months by NAI Commercial's Lender Solution Group (and previously listed by BC Farm & Ranch and Sutton Group for 121 days prior, to NAI Commercial taking over the listing for the Lender and appointing Deloitte Restructuring Inc. as Receiver), we believe that the current offer of \$3,650,000 represents fair market value for the subject property. NAI Commercial's Lender Solutions Group will continue to market the subject property up until the Receiver obtains an Order Approving the sale.

If there are any comments or questions regarding the marketing efforts, please do not hesitate to call.

Best Regards,



Gary Haukeland*
Senior Vice President, Managing Broker
604 691 6693
ghaukeland@naicommercial.ca
*Personal Real Estate Corporation



J-D Murray
Senior Associate
604 691 6664
jdmurray@naicommercial.ca



38.54 Acre Agricultural Property | 34211 Hallert Rd
Abbotsford, BC V3G 1P9 | Flex For Sale | 33,064 SF | \$4,600,000.00

243
Detail Page Views

1
Lead

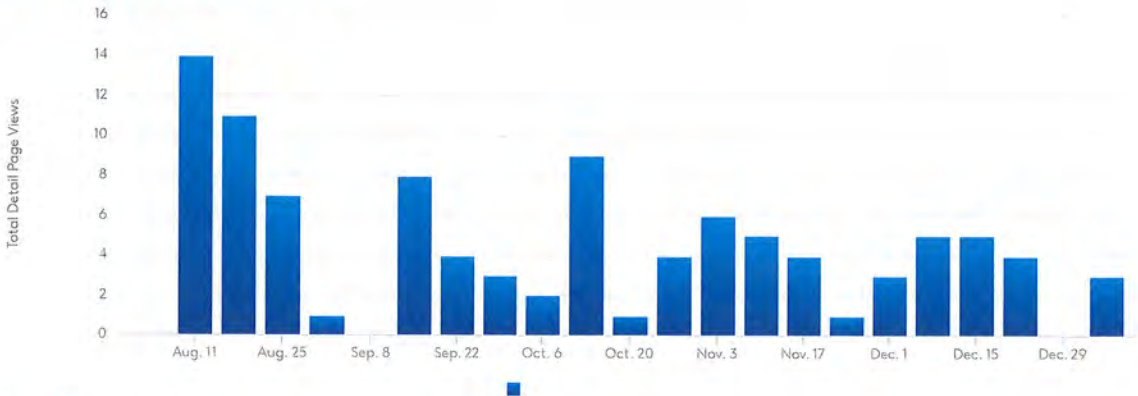
0
Confidentiality Agreements

0
Data Room Visits

Days on
Market
129
Started advertising
2024-09-06

Listing
Completeness
85%
last updated on
2025-01-06

Listing Activity Report



Activity Summary

5,644

Total Views

1,664

Unique Prospects

18m 9s

Average Time on Page

104

Detail Page Views

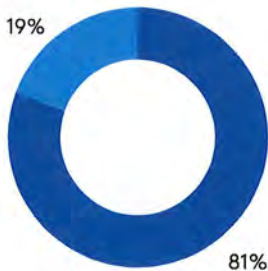
3.0

Frequency

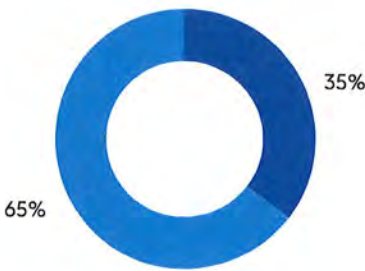
23h 18m 12s

Total Time on Page

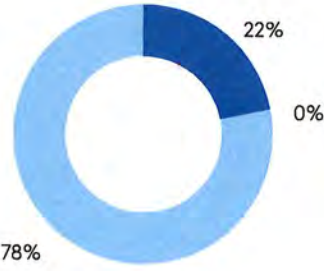
Traffic Source



58 New
14 Returning



34 In Market
62 Out of Market



21 Organic
0 Paid
75 Direct, Referral, App



34211 HALLERT ROAD
Abbotsford, British Columbia
\$4,600,000

Listing last updated: 2024-11-27
 MLS® Number C8064737

47 days on REALTOR.ca

Listing Insights

7 days

30 days

90 days



All history

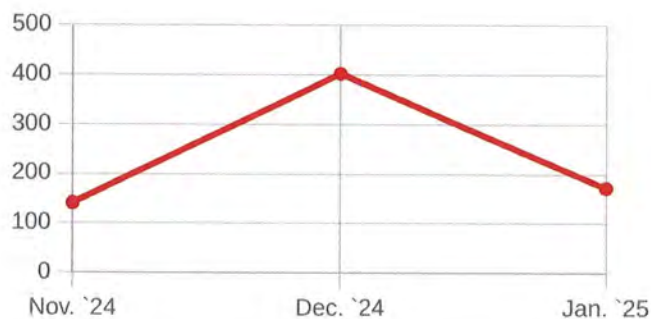
Summary
 All Websites & Apps

REALTOR.ca
 Websites & Apps

REALTOR.ca DDF®
 Websites

 **716 Views** (All history)

 716 views on REALTOR.ca
 0 views on REALTOR.ca DDF®



Appendix "C"

**Contract of purchase and sale between the Receiver and K&K Properties Ltd.
dated December 21, 2024 for the purchase of Lot 5**

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE COMMERCIAL REAL ESTATE

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.
2. **DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.
3. **COMPLETION:** (Clauses 6.1 and 17) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the purchase price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The buyer pays the purchase price or down payment in trust to the buyer's lawyer or notary (who should advise the buyer of the exact amount required) several days before the completion date and the buyer signs the documents.
 - (b) The buyer's lawyer or notary prepares the documents and forwards them for signature to the seller's lawyer or notary who returns the documents to the buyer's lawyer or notary.
 - (c) The buyer's lawyer or notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The buyer's lawyer or notary releases the sale proceeds at the buyer's lawyer's or notary's office.

Since the seller is entitled to the seller's proceeds on the completion date, and since the sequence described above takes a day or more, it is strongly recommended that the buyer deposits the money and the signed documents AT LEAST TWO DAYS before the completion date, or at the request of the conveyancer, and that the seller delivers the signed transfer documents no later than the morning of the day before the completion date.

While it is possible to have a Saturday or Sunday completion date using the Land Title Office's electronic filing system, parties are strongly encouraged NOT to schedule a Saturday completion date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Clauses 7.1 and 18) The buyer should make arrangements through the REALTORS® for obtaining possession. The seller will not generally let the buyer move in before the seller has received the sale proceeds. Where residential tenants are involved, buyers and sellers should consult the *Residential Tenancy Act*.
5. **ADJUSTMENT:** (Clauses 8.1 and 19) The buyer and seller should consider any additional adjustments that are necessary given the nature of the property and how any costs are payable by tenants and whether the seller holds any of the tenant's funds with respect to such costs.



INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE COMMERCIAL REAL ESTATE (continued)

6. **TITLE:** (Clause 22) It is up to the buyer to satisfy the buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the property and any encumbrances which are staying on title before becoming legally bound. It is up to the seller to specify in the contract if there are any encumbrances, other than those listed in clause 22 and Schedule 22, which are staying on title before becoming legally bound. If you as the buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.
7. **CUSTOMARY COSTS:** (Clause 31) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

Lawyer or Notary Fees and Expenses:
 - attending to execution documents
 Costs of clearing title, including:
 - discharge fees charged by
 encumbrance holders,
 - prepayment penalties.
 Real Estate Commission (plus GST).
 Goods and Services Tax (if applicable).

Costs to be Borne by the Buyer

Lawyer or Notary Fees and Expenses:
 - searching title,
 - investigating title,
 - drafting documents.
 Land Title Registration fees.
 Survey Certificate (if required).
 Costs of Mortgage, including:
 - mortgage company's lawyer/notary,
 - appraisal (if applicable),

Land Title Registration fees.
 Fire Insurance Premium.
 Sales Tax (if applicable).
 Property Transfer Tax.
 Goods and Services Tax (if applicable).

50

In addition to the above costs there maybe financial adjustments between the seller and the buyer pursuant to Clause 19.

8. **RISK:** (Clause 32) The buyer should arrange for insurance to be effective as of 12:01 am on the earlier of the completion date. The seller should maintain the seller's insurance in effect until the later of the date the seller receives the proceeds of sale, or the date the seller vacates the property.
9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold commercial real estate. If your transaction involves: a building under construction, an operating business with or without employees being hired, a sale and purchase of shares in the owner of the property, the purchase of a leasehold interest, other special circumstances, additional provisions, not contained in this form, may be needed, and professional advice should be obtained.



THE CANADIAN
BAR ASSOCIATION
British Columbia Branch

CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE

MLS® NO: C8064737

DATE: 12/21/24

PART 1 – INFORMATION SUMMARY

| | | | |
|--|--------------------|----------------------|------------------------------|
| 1. Prepared By | | | |
| 1.1 Name of Brokerage Century 21 Coastal Realty Ltd. | | | |
| 1.2 Brokerage Address 207-32615 S. Fraser way Abbotsford | | BC | V2T1X8 Phone No.604-853-3376 |
| 1.3 REALTOR®'s Name Jaswinder Jhally PREC | | | |
| 1.4 Personal Real Estate Corporation | | | |
| 1.5 REALTOR®'s Email Address | | Fax No. | |
| 1.6 Brokerage Phone No.604-825-0440 | | Fax No. | |
| 2. Parties to the Contract | | | |
| 2.1 Seller <u>Deloitte Restructuring Inc.</u> | | | |
| Seller _____ | | | |
| Seller _____ | | | |
| 2.2 Seller's Address | | | |
| 2.3 Seller's Phone No. | | Fax No. | |
| 2.4 Seller's Email Address | | | |
| 2.5 Seller's Incorporation No. | | 2.6 Seller's GST No. | |
| 2.7 Buyer <u>K & K Properties Ltd.</u> | | | |
| Buyer _____ | | | |
| Buyer _____ | | | |
| 2.8 Buyer's Address | | | |
| 2.9 Buyer's Phone No. | | Fax No. | |
| 2.10 Buyer's Email Address | | | |
| 2.11 Buyer's Incorporation No. | | 2.12 Buyer's GST No. | |
| 3. Property | | | |
| 3.1 Civic Address of Property | 34211 HALLERT ROAD | Abbotsford | BC V3G 1P9 |
| 3.2 Legal Description of Property | | | |
| LOT 5, PLAN NWP649A, SECTION 3, TOWNSHIP 17, NEW WESTMINSTER LAND DISTRICT | | | |
| PID | | 006-892-230 | |

BUYER'S INITIALS

BUYER'S INITIALS

SELLER'S INITIALS

SELLER'S INITIALS

34211 HALLERT ROAD Abbotsford BC V3G 1P9 PAGE 2 of 8 PAGES
PROPERTY ADDRESS

| | | |
|--|--|---------------|
| 4. Purchase Price | \$3,650,000.00 | Clause |
| 4.1 | | |
| Three Million Six Hundred Fifty Thousand | Dollars | 14 |
| 5. Deposit | | Clause |
| 5.1 Deposit to be provided by the following date: <input type="checkbox"/> within 48 hours of acceptance of offer or counter-offer <input type="checkbox"/> date _____ <input checked="" type="checkbox"/> other within 24 Hours of last subject removal _____ | | 15 |
| 5.2 Amount of Deposit \$200,000.00 | Two Hundred Thousand | 15 |
| 5.3 Deposit to be paid in trust to NAI Commercial | | 15 |
| 6. Completion Date | | |
| 6.1 Completion Date 30 days from court date | | 17 |
| 7. Possession Date | | |
| 7.1 Possession Date 1 day after Completion | | 18 |
| 7.2 Vacant Possession <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 7.3 All Existing Tenancies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18 |
| 8. Adjustment Date | | |
| 8.1 Adjustment Date 1 day after Completion | | 19 |
| 9. Viewing Date | | |
| 9.1 Viewing Date N/A 'As Is Where Is' | | 21 |
| 10. Agency Disclosure | | |
| 10.1 Seller's Designated Agent | REALTOR® <u>J-D Murray</u> REALTOR® <u>Gary Haukeland PREC*</u> Brokerage <u>NAI Commercial</u> | 38A |
| 10.2 Buyer's Designated Agent | REALTOR® <u>Jaswinder Jhally PREC</u> REALTOR® _____ Brokerage <u>Century 21 Coastal Realty Ltd.</u> | 38B |
| 10.3 Limited Dual Agency Designated Agent | REALTOR® _____ REALTOR® _____ Brokerage _____ | 38C |
| 10.4 Date of Limited Dual Agency Agreement | | 38C |

50

BUYER'S INITIALS

SK

SELLER'S INITIALS

34211 HALLERT ROAD Abbotsford BC V3G 1P9 PAGE 3 of 8 PAGES
PROPERTY ADDRESS

| | | | |
|---|------------------|---|--------------|
| 11. Acceptance | | | |
| 11.1 Offer Open Until – Date | December 24 2024 | Time | 8:00 p.m. 44 |
| 12. Schedules | | | |
| 15 Deposit | Attached | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15 |
| 16A Buyer's Conditions | Attached | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 16 |
| 16B Seller's Conditions | Attached | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 16 |
| 18 Accepted Tenancies | Attached | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18 |
| 20A Additional Included Items | Attached | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20 |
| 20B Excluded Items | Attached | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20 |
| 22 Additional Permitted Encumbrances | Attached | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22 |
| 23 Additional Seller's Warranties and Representations | Attached | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23 |
| 24 Additional Buyer's Warranties and Representations | Attached | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 24 |
| 40 Additional Terms | Attached | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 40 |

PART 2 – TERMS

- 13. INFORMATION SUMMARY:** The Information Summary being Part 1 to this Contract of Purchase and Sale for Commercial Real Estate and the Schedules attached to this Contract of Purchase and Sale for Commercial Real Estate, form an integral part of this offer. The Seller and Buyer acknowledge that they have read all of Part 1 and Part 2 and the Schedules to this Contract of Purchase and Sale for Commercial Real Estate.
- 14. PURCHASE PRICE:** The purchase price of the Property will be the amount set out in Clause 4.1 (Purchase Price).
- 15. DEPOSIT:** A deposit in the amount set out in Clause 5.2 which will form part of the Purchase Price, will be paid in accordance with Clause 26 except as otherwise set out in Schedule 15 and on the terms set out in Schedule 15. All monies paid pursuant to this Clause (the "Deposit") will be delivered in trust to the party identified in Clause 5.3 and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.
- 16. CONDITIONS:** The obligations of the Buyer described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16A, if any (the "Buyer's Conditions"). The Buyer's Conditions are inserted for the sole benefit of the Buyer. The satisfaction or waiver of the Buyer's Conditions will be determined in the sole discretion of the Buyer and the Buyer agrees to use reasonable efforts to satisfy the Buyer's Conditions. The Buyer's Conditions may only be satisfied or waived by the Buyer giving written notice (the "Buyer's Notice")

BUYER'S INITIALS

SELLER'S INITIALS

BC 2053 REV. NOV 2023

COPYRIGHT BC REAL ESTATE ASSOCIATION AND CANADIAN BAR ASSOCIATION (BC BRANCH)

© 2023, British Columbia Real Estate Association ("BCREA") and the Canadian Bar Association British Columbia Branch ("CBABC"). All right reserved. This form was developed by BCREA and CBABC for the use and reproduction by BC REALTORS® and members in good standing with the CBABC, and other authorized in writing by BCREA and/or CBABC. Any other use or reproduction is prohibited except with prior written consent of BCREA and/or CBABC. This form is not to be altered when printing or reproducing the standard pre-set portion. BCREA and CBABC bears no liability for your use of this form.

Doc ID: 910f1fa63dfd17ba01993002ac43b68456d86

34211 HALLERT ROAD

Abbotsford

BC V3G 1P9 PAGE 4 of 8 PAGES

PROPERTY ADDRESS

to the Seller on or before the time and date specified for each condition. Unless each Buyer's Condition is waived or declared fulfilled by delivery of the Buyer's Notice to the Seller on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

The obligations of the Seller described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16B, if any (the "Seller's Conditions"). The Seller's Conditions are inserted for the sole benefit of the Seller. The satisfaction or waiver of the Seller's Conditions will be determined in the sole discretion of the Seller and the Seller agrees to use reasonable efforts to satisfy the Seller's Conditions. These conditions may only be satisfied or waived by the Seller giving written notice (the "Seller's Notice") to the Buyer on or before the time and date specified for each condition. Unless each Seller's Condition is waived or declared fulfilled by delivery of the Seller's Notice to the Buyer on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

17. **COMPLETION:** The sale will be completed on the date specified in Clause 6.1 (Completion Date) at the appropriate Land Title Office.
18. **POSSESSION:** The Buyer will have possession of the Property at the time and on the date specified in Clause 7.1 (Possession Date) with vacant possession if so indicated in Clause 7.2, or subject to all existing tenancies if so indicated in Clause 7.3; or subject to the specified tenancies set out in Schedule 18, if so indicated in Clause 12 (if Clause 7.3 or 12 is selected, such tenancies shall be the "Accepted Tenancies").
19. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities, insurance, rents, tenant deposits including interest, prepaid rents, and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of the date specified in Clause 8.1 (the "Adjustment Date").
20. **INCLUDED ITEMS:** The Purchase Price includes the Accepted Tenancies, any buildings, improvements, fixtures, appurtenances and attachments thereto, and all security systems, security bars, blinds, awnings, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, together with those items set out in Schedule 20A but excluding those items set out in Schedule 20B.
21. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on the date specified in Clause 9.1.
22. **TITLE:** Free and clear of all encumbrances except 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, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, the Accepted Tenancies and any additional permitted encumbrances set out in Schedule 22.
23. **ADDITIONAL SELLER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Seller makes the additional representations and warranties set out in Schedule 23 to the Buyer.
24. **ADDITIONAL BUYER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Buyer makes the additional representations and warranties set out in Schedule 24 to the Seller.

BUYER'S INITIALS

SELLER'S INITIALS

34211 HALLERT ROAD

Abbotsford

BC V3G 1P9 PAGE 5 of 8 PAGES

PROPERTY ADDRESS

- 25. GST:** In addition to the Purchase Price, the applicable Goods and Services Tax ("GST") imposed under the *Excise Tax Act* (Canada) (the "Act") will be paid by the Buyer. On or before the Completion Date, the Buyer may confirm to the Seller's Lawyer or Notary that it is registered for the purposes of Part IX of the Act and will provide its registration number. If the Buyer does not confirm that it is a registrant under Part IX of the Act on or before the Completion Date, then the Buyer will pay the applicable GST to the Seller on the Completion Date and the Seller will then remit the GST as required by the Act. All taxes payable pursuant to the *Provincial Sales Tax Act* arising out of the purchase of the Property, will be paid by the Buyer and evidence of such payment will be provided to the Seller.
- 26. TENDER:** Tender or payment of monies by the Buyer to the Seller will be by bank draft, wire transfer, certified cheque, or Lawyer's/Notary's or real estate brokerage's trust cheque.
- 27. DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registerable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.
- 27A. SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (A) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); and (B) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the *Income Tax Act*.
- 28. TIME:** Time will be of the essence hereof, and unless the balance of the payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
- 29. BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
- 30. CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
- 31. COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.

| | | |
|----|--|--|
| 50 | | |
|----|--|--|

BUYER'S INITIALS

| | | |
|----|--|--|
| SK | | |
|----|--|--|

SELLER'S INITIALS

34211 HALLERT ROAD

Abbotsford

BC V3G 1P9 PAGE 6 of 8 PAGES

PROPERTY ADDRESS

- 32. RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.
- 33. GOVERNING LAW:** This Contract will be governed by the laws of the Province of British Columbia. The parties submit to the exclusive jurisdiction of the courts in the Province of British Columbia regarding any dispute that may arise out of this transaction.
- 34. CONFIDENTIALITY:** Unless the transaction contemplated by this Contract is completed, the Buyer and the Seller will keep all negotiations regarding the Property confidential, and the Buyer will not disclose to any third party the contents or effect of any documents, materials or information provided pursuant to or obtained in relation to this Contract without the prior written consent of the Seller, except that each of the Buyer and the Seller may disclose the same to its employees, inspectors, lenders, agents, advisors, consultants, potential investors and such other persons as may reasonably be required and except that the Buyer and the Seller may disclose the same as required by law or in connection with any regulatory disclosure requirements which must be satisfied in connection with the proposed sale and purchase of the Property.
- 35. PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
- 36. SURVIVAL OF REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and any attached Schedules. All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Date, unless otherwise agreed in writing.
- 37. PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "REALTOR®(s)") described in Clause 38, the real estate boards of which those Brokerages and REALTOR®s are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates that Multiple Listing Service®, of personal information about the Buyer and the Seller:
- A. for all purposes consistent with the transaction contemplated herein;
 - B. if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;
 - C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
 - D. for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.
- The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.
- 38. AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):

| | | |
|----|--|--|
| 50 | | |
|----|--|--|

BUYER'S INITIALS

| | | |
|----|--|--|
| JK | | |
|----|--|--|

SELLER'S INITIALS

BC 2053 REV. NOV 2023

COPYRIGHT BC REAL ESTATE ASSOCIATION AND CANADIAN BAR ASSOCIATION (BC BRANCH)

© 2023, British Columbia Real Estate Association ("BCREA") and the Canadian Bar Association British Columbia Branch ("CBABC"). All right reserved. This form was developed by BCREA and CBABC for the use and reproduction by BC REALTORS® and members in good standing with the CBABC, and other authorized in writing by BCREA and/or CBABC. Any other use or reproduction is prohibited except with prior written consent of BCREA and/or CBABC. This form is not to be altered when printing or reproducing the standard pre-set portion. BCREA and CBABC bears no liability for your use of this form.

Doc ID: 910f1fa63dfd17ba01993002acf43b891a6d86

34211 HALLERT ROAD

Abbotsford

BC V3G 1P9 PAGE 7 of 8 PAGES

PROPERTY ADDRESS

| | | |
|---|--|--|
|  | | |
|---|--|--|

INITIALS

A. The Seller acknowledges having received, read and understood the BC Financial Services Authority (BCFSA) form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Seller has an agency relationship with the Designated Agent(s)/REALTOR®s specified in Clause 10.1 who is/are licensed in relation to the brokerage specified in Clause 10.1.

| | | |
|---|--|--|
|  | | |
|---|--|--|

INITIALS

B. The Buyer acknowledges having received, read and understood the BCFSA form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Buyer has an agency relationship with the Designated Agent(s)/REALTOR®(s) specified in Clause 10.2 who is/are licensed in relation to the brokerage specified in Clause 10.2.

| | | |
|--|--|--|
| | | |
| | | |

INITIALS

C. The Seller and the Buyer each acknowledge having received, read and understood the BCFSA form entitled "Disclosure of Risks Associated with Dual Agency" and hereby confirm that they each consent to a dual agency relationship with the Designated Agent(s)/REALTOR®(s) specified in Clause 10.3 who is/are. licensed in relation to the brokerage specified in Clause 10.3, having signed a dual agency agreement with such Designated Agent(s)/REALTOR®(s) dated the date set out in Clause 10.4.

| | | |
|--|--|--|
| | | |
|--|--|--|

INITIALS

D. If only (A) has been completed, the Buyer acknowledges having received, read and understood the BCFSA form "Disclosure of Risks to Unrepresented Parties" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

| | | |
|--|--|--|
| | | |
|--|--|--|

INITIALS

E. If only (B) has been completed, the Seller acknowledges having received, read and understood the BCFSA form "Disclosure of Risks to Unrepresented Parties" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

39. ASSIGNMENT OF REMUNERATION: The Buyer and the Seller agree that the Seller's authorization and instruction set out in clause 45(c) below is a confirmation of the equitable assignment by the Seller in the Listing Contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.

39A. RESTRICTION ON ASSIGNMENT OF CONTRACT: The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.


40. ADDITIONAL TERMS: The additional terms set out in Schedule 40 are hereby incorporated into and form a part of this Contract.

41. ACCEPTANCE IRREVOCABLE:

| | | |
|---|--|--|
|  | | |
|---|--|--|

BUYER'S INITIALS

SEAL

| | | |
|---|--|--|
|  | | |
|---|--|--|

SELLER'S INITIALS

SEAL

The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale, whether executed and sealed by hand or by digital or electronic signature and seal, or otherwise, is hereby executed under seal, which is evidenced by each of the Buyer and the Seller making the deliberate, intentional and conscious act of inserting their initials (whether by hand or electronically) in the appropriate space provided beside this Section 41. The parties intend that the act of inserting their initials as set out above is to have the same effect as if this Contract of Purchase and Sale had been physically sealed by wax, stamp, embossing, sticker or any other manner. It is agreed and understood that, without limiting the foregoing, the Seller's acceptance is irrevocable including without limitation during the period prior to the date specified for the Buyer to either:

- A. fulfill or waive the terms and conditions herein contained; and/or
- B. exercise any option(s) herein contained.

| | | |
|---|--|--|
|  | | |
|---|--|--|

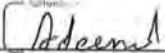



BUYER'S INITIALS

| | | |
|---|--|--|
|  | | |
|---|--|--|

SELLER'S INITIALS

34211 HALLERT ROAD Abbotsford BC V3G 1P9 PAGE 8 of 8 PAGES
PROPERTY ADDRESS

42. **COUNTERPARTS:** The parties agree that this Contract of Purchase and Sale and any amendments or attachments thereto may be executed in counterparts by the parties and delivered originally or by facsimile, email, or other means of electronic transmission. Each such counterpart when so executed and delivered is deemed to be an original and all such counterparts of a relevant document taken together shall constitute one and the same relevant document as though the signatures of all the parties were upon the same document.
43. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**
44. **OFFER:** This offer, or counter-offer, will be open for acceptance until the time and date specified in Clause 11.1 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.





| | | | |
|---|---|--|---|
|  |  |  |  |
| BUYER | BUYER | BUYER | BUYER |
| K & K Properties Ltd | | | |
| PRINT NAME | PRINT NAME | PRINT NAME | PRINT NAME |
| WITNESS | WITNESS | WITNESS | WITNESS |

45. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the cash proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested, forthwith after completion.

Seller's acceptance is dated this _____ day of _____ yr. _____.

The Seller declares their residency:

RESIDENT OF CANADA  INITIALS NON-RESIDENT OF CANADA  INITIALS as defined under the *Income Tax Act*.

| | | | |
|---|---|--|---|
|  |  |  |  |
| SELLER | SELLER | SELLER | SELLER |
| Deloitte Restructuring Inc. | | | |
| PRINT NAME | PRINT NAME | PRINT NAME | PRINT NAME |
| WITNESS | WITNESS | WITNESS | WITNESS |

*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

BC 2053 REV. NOV 2023

COPYRIGHT BC REAL ESTATE ASSOCIATION AND CANADIAN BAR ASSOCIATION (BC BRANCH)

© 2023, British Columbia Real Estate Association ("BCREA") and the Canadian Bar Association British Columbia Branch ("CBABC"). All right reserved. This form was developed by BCREA and CBABC for the use and reproduction by BC REALTORS® and members in good standing with the CBABC, and other authorized in writing by BCREA and/or CBABC. Any other use or reproduction is prohibited except with prior written consent of BCREA and/or CBABC. This form is not to be altered when printing or reproducing the standard pre-set portion. BCREA and CBABC bears no liability for your use of this form.

Doc ID: 910f1fa63dfd17ba01993002acf436878ed867

SCHEDULE "A"
(Court Approved Sale)

DATE: 12/02/24

CONTRACT OF PURCHASE AND SALE RE PID: 006-892-230; LOT 5 SECTION 3 TOWNSHIP 17 NEW WESTMINSTER DISTRICT PLAN 649A (the "**Property**")

The following terms replace, modify and where applicable override the terms of the Contract of Purchase and Sale, including any addenda and/or amendments thereto (collectively, the "**Contract of Purchase and Sale**"). Where a conflict arises between the terms of this Schedule and the Contract of Purchase and Sale, the terms of this Schedule shall apply and govern. Notwithstanding any term or condition of the Contract of Purchase and Sale, the parties hereto agree as follows:

1. All references to Vendor/Seller in the Contract of Purchase and Sale and in this Schedule mean Deloitte Restructuring Inc., as Court appointed Receiver and Manager of Uppal Farms & Greenhouses Ltd. (the "**Receiver**"), and not in its personal capacity, pursuant to a Receivership Order made by The Supreme Court of British Columbia (the "**Court**") in a proceeding between The Toronto-Dominion Bank, as plaintiff, and Uppal Farms & Greenhouses Ltd., a defendant, and the other defendants therein.
2. The Receiver is not contractually or otherwise liable to any party in any way under the Contract of Purchase and Sale and shall not be under any obligation to advocate for the Court's acceptance of the Contract of Purchase and Sale. The only obligation of the Receiver will be to facilitate the completion of a sale once all conditions have been met and complied with, including Court approval and the expiry of any appeal period, subject to the Receiver's discretion.
3. The Buyer accepts the Property "as is, where is" and agrees to save the Receiver harmless from all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, environmental condition or circumstances and location of the Property, and agrees to accept the Property subject to any outstanding work orders or notices or infractions as to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements.
4. The Buyer acknowledges and agrees that the Receiver makes no representations or warranties whatsoever with respect to the Property. The Buyer acknowledges and agrees that they have relied entirely upon their own inspection and investigation with respect to quantity, quality and value of the Property.
5. With respect to environmental matters, and without limiting the generality of the foregoing, the Buyer agrees that they are responsible to investigate the environmental condition of the Property to their satisfaction and that they are responsible to satisfy themselves, and is relying on their own investigations to verify that the level of Contaminants, as hereinafter defined, on or migrating to or from the Property is satisfactory to the Buyer and the environmental condition of the Property is otherwise acceptable. Contaminants includes, without limitation, any contaminant, pollutant, underground or aboveground tank, asbestos materials, urea formaldehyde, deleterious substance, dangerous substance or good, hazardous, corrosive or toxic substance, special waste, waste or any other substance which is now or hereafter regulated under any laws, regulations, bylaws, orders or other lawful requirements of any governmental authority having jurisdiction over the Property.
6. The Receiver is not and will not be liable to the Buyer nor to anyone claiming by, through or under the Buyer for any damages, costs or expenses for damage caused to the Property by the registered owner of the Property or their tenants, guests, assigns, agents or by persons unknown.
7. This Contract of Purchase and Sale is subject to approval by the Court, with the real estate commission in respect of this contract of Purchase and Sale to be paid only if the sale completes pursuant to an order of the Court. This condition is for the sole benefit of the Receiver.
8. This Contract will become public information prior to the Court approval date and competing purchasers will have the ability to submit higher offers. The Buyer will have the ability (subject to the Court's discretion) to modify the Contract to respond to competing offers and it is recommended that the Buyer seek independent legal advice to advance its own offer to the Court. So long as it remains in force the Receiver will be complying with The Supreme Court of British Columbia's Practice Direction – 62 "Sealed Bid Process for Foreclosures and Other Matters Involving the Sales of Land" and the Buyer hereby acknowledges and agrees to that Bid Process and any amendments thereto. The Receiver may be compelled to advocate that the court consider a further tender process be undertaken, or that other offers be accepted, in order to obtain the highest price for the Property. The Receiver gives no undertaking to advocate for the acceptance of this offer. To protect their interest in purchasing

50

SK

the Property, the Buyer acknowledges and agrees that they should attend at any future court hearing in person or by agent and be prepared there, or as may otherwise be directed by the court, to make such amended or increased offer to purchase the Property as the court may permit or direct.

9. This Contract of Purchase and Sale may be terminated at the Receiver's sole option if at any time prior to Court approval the Receiver determines it is inadvisable to present this Contract of Purchase and Sale to the Court for any reason whatsoever, and in any such event the Receiver shall have no further obligations or liability to the Buyer under this Contract of Purchase and Sale or otherwise. This condition is for the sole benefit of the Receiver.
10. The Buyer acknowledges and agrees that they are purchasing title to the Property free and clear of all encumbrances of the parties to the proceedings concerning the Property in accordance with such vesting order as may be made in the said proceedings except: 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 registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies, if any, and except as otherwise set out herein.
11. The Buyer acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Receiver may at its option either terminate or reaffirm this Contract, and in either event the amount paid by the Buyer, including without limitation the deposit, will be absolutely forfeited to the Receiver on account of damages, and not in substitution therefore, without prejudice to the Receiver's other remedies.
12. No property condition disclosure statement concerning the Property forms part of this Contract of Purchase and Sale whether or not such a statement is attached to it.
13. The Purchase Price does not include Goods and Services Tax ("GST"), Provincial Sales Tax ("PST"), Harmonized Sales Tax, property transfer tax, or any other tax that may be applicable (collectively, "Taxes"). The Buyer will be liable for and shall pay all Taxes and registration charges and transfer fees properly payable upon and in connection with the sale and transfer of the Property by the Receiver to the Buyer. On the completion date for the sale, the Buyer will provide the Receiver with a certificate signed by the Buyer or its officer confirming the Buyer's GST and PST registration numbers together with an undertaking to self-assess and remit any GST or PST payable in respect of the transaction and an indemnity in that regard in a form acceptable to the Receiver, and, in any event, the Buyer shall pay any and all Taxes payable in respect of the purchase of the Property hereunder, and shall fully comply with the provisions of the federal Excise Tax Act, Provincial Sales Tax Act and Property Transfer Tax Act. The Buyer shall obtain its own legal, accounting and other professional advice as to GST and PST and any other Taxes.
14. The Buyer waives any right it may have with respect to confirmation and/or acknowledgement of the residency of the Receiver and/or registered or beneficial owner(s) of the Property and expressly agrees, represents and warrants that it will not withhold any portion of the sale proceeds for any reason pertaining to the residency of the Receiver and/or registered or beneficial owner(s) of the Property. In that regard, the Buyer agrees, represents and warrants that it has performed its own investigation and due diligence with respect to the residency of the Receiver and/or registered or beneficial owner(s) of the Property and, to the extent necessary, has incorporated any associated risks into its purchase price.
15. The Receiver may, at its sole discretion, extend the Completion Date by up to 15 business days.
16. The Buyer acknowledges and agrees that the Receiver shall not be liable to the Buyer for any loss, damage or expense, whether in contract, law or by statute, arising out of or related in any way to the Receiver's failure to deliver vacant possession to the Buyer on the Possession Date or thereafter provided that, if vacant possession is required to be delivered to the Buyer under the Contract of Purchase and Sale, the Receiver makes reasonable efforts to deliver vacant possession through a writ of possession or such other lawful enforcement means as the Receiver considers advisable in its sole discretion.
17. If the Buyer fails or refuses to complete the purchase and sale herein contemplated after all the Buyer's conditions have been satisfied or waived, the Deposit together with accrued interest thereon shall be forfeited to the Receiver as liquidated damages as a genuine pre-estimate of its damages, without prejudice to any other rights and remedies which the Receiver may have at law or in equity against the Buyer. In accordance with s. 30(1)(g) and 30(2)(b) of the *Real Estate Services Act*, the Buyer and Receiver hereby agree to the release of the Deposit and accrued interest thereon to the Receiver, and the Buyer hereby instructs the party holding the Deposit to so release the Deposit together with accrued interest thereon to the Receiver, upon written demand

57

SK

from the Receiver or its counsel confirming that the Buyer has failed or refused to complete the purchase and sale herein contemplated despite the Buyer's conditions having been satisfied or waived.

18. All funds payable in connection with this Contract of Purchase and Sale will be by certified cheque or bank draft and shall be delivered by prepaid courier to the solicitor acting for the Receiver.
19. This Schedule may be executed in one or more counterparts, each of which will be an original, and all of which together will constitute a single instrument. This Schedule may be signed and/or transmitted by fax or by electronic mail of a .PDF document or electronic signature (e.g., DocuSign or similar electronic signature technology) and thereafter maintained in electronic form, and such electronic record will be as valid and effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that the electronic signatures appearing on this Schedule will be treated, for the purposes of validity, enforceability, and admissibility, the same as handwritten signatures.

Witness

Witness

Witness

Authenti
Buyer

Buyer

Deloitte Restructuring Inc. in its capacity as Court-Appointed Receiver and Manager of Uppal Farms & Greenhouses Ltd.

COMMERCIAL CONTRACT OF PURCHASE AND SALE ADDENDUM

MULTIPLE LISTING SERVICE®

MLS® No. C8064737 DATE 12/21/24 PAGE 1 OF 3 PAGES

This form is to be used to add conditions and clauses to the Commercial Contract of Purchase and Sale.

RE: ADDRESS 34211 HALLERT ROAD
Abbotsford BC V3G 1P9

FURTHER TO THE COMMERCIAL CONTRACT OF PURCHASE AND SALE DATED 12/21/24
MADE BETWEEN Deloitte Restructuring Inc. AS SELLER(S), AND
K & K Properties Ltd. AS BUYER(S) AND COVERING

THE ABOVE MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREES AS FOLLOWS:

Subject to buyer(s) arranging a first mortgage on or before Jan. 15, 2025.

This condition is for the sole benefit of the Buyer(s).

This offer is subject to the Buyer(s) obtaining approval for fire/property insurance, on terms and at rates, satisfactory to the Buyer, by Jan. 15, 2025.

This condition is for the sole benefit of the Buyer(s).

Subject to the Buyer, on or before Jan. 15, 2025 at the Buyer's expense, obtaining and approving an inspection report against any defects whose cumulative cost of repair exceeds \$1000.00 and which reasonably may adversely affect the property's use or value.

This condition is for the sole benefit of the Buyer.

The Seller will allow access to the property for this purpose on reasonable notice.

Subject to the Buyer on or before Jan. 15, 2025 obtaining and approving the attached copy of the title search results against the presence of any charge or other feature, whether registered or not, that reasonably may adversely affect the property's use or value.

This condition is for the sole benefit of the Buyer.

If this condition is waived or declared fulfilled, the attached copy of the title search result will be incorporated into and form part of this contract and the Buyer acknowledges and accepts, despite another provision in this contract, that upon completion the Buyer will receive title containing any non-financial charge set out in the copy of the title search results that is attached to and forms part of this contract.

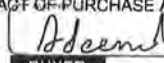
Subject to the Buyer, at their own cost, obtaining an evaluation of the Property by an authorized individual to assess its feasibility, and the Buyer being satisfied with the results of that evaluation on or before Jan. 15, 2025.

This condition is for the sole benefit of the Buyer.

This offer is subject to court approval.

ALL OTHER TERMS AND CONDITIONS CONTAINED IN THE SAID COMMERCIAL CONTRACT OF PURCHASE AND SALE REMAIN THE SAME AND IN FULL FORCE AND EFFECT.

WITNESS _____


BUYER 12/21/2024
K & K Properties Ltd

WITNESS _____

BUYER _____

WITNESS _____


SELLER Deloitte Restructuring Inc.

WITNESS _____

SELLER _____

A155 (REV. 06/02)

Doc ID: 910f1fa63dfd17ba01993002acfd43b851a6d8677
Jun2008
CREA WEB FORMS

COMMERCIAL CONTRACT OF PURCHASE AND SALE ADDENDUM

MULTIPLE LISTING SERVICE®

MLS® No. C8064737 DATE 12/21/24 PAGE 2 OF 3 PAGES

This form is to be used to add conditions and clauses to the Commercial Contract of Purchase and Sale.

RE: ADDRESS 34211 HALLERT ROAD
Abbotsford BC V3G 1P9

FURTHER TO THE COMMERCIAL CONTRACT OF PURCHASE AND SALE DATED 12/21/24

MADE BETWEEN Deloitte Restructuring Inc. AS SELLER(S), AND
K & K Properties Ltd. AS BUYER(S) AND COVERING

THE ABOVE MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREES AS FOLLOWS:

Subject to the Buyer obtaining and being satisfied, on or before Jan. 15, 2025 with professional tax advice regarding the Buyer's GST liability arising from, and any GST exemptions or rebates applicable to the Buyer's purchase of the Property. This condition is for the sole benefit of the Buyer.

Subject to the Buyer being satisfied, on or before Jan. 15, 2025, with the uses permitted by the relevant zoning bylaw. This condition is for the sole benefit of the Buyer.

The Buyer must approve the attached schedule 'A', which is part of this purchase and sale contract, by Jan. 15, 2025. This condition is for the sole benefit of the Buyer.

ALL OTHER TERMS AND CONDITIONS CONTAINED IN THE SAID COMMERCIAL CONTRACT OF PURCHASE AND SALE REMAIN THE SAME AND IN FULL FORCE AND EFFECT.

WITNESS 12/21/2024
BUYER K & K Properties Ltd.

WITNESS BUYER

WITNESS SELLER
Deloitte Restructuring Inc.

WITNESS SELLER

COMMERCIAL CONTRACT OF PURCHASE AND SALE ADDENDUM

MULTIPLE LISTING SERVICE®

MLS® No. C8064737 DATE 12/21/24 PAGE 3 OF 3 PAGES

This form is to be used to add conditions and clauses to the Commercial Contract of Purchase and Sale.

RE: ADDRESS 34211 HALLERT ROAD
Abbotsford BC V3G 1P9

FURTHER TO THE COMMERCIAL CONTRACT OF PURCHASE AND SALE DATED 12/21/24

MADE BETWEEN Deloitte Restructuring Inc. AS SELLER(S), AND
K & K Properties Ltd. AS BUYER(S) AND COVERING

THE ABOVE MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREES AS FOLLOWS:

-The Buyer[s] and the Seller[s] acknowledges that real estate licensees are not qualified to give legal advice, and that any questions regarding legal documents, including charges registered against title, should be answered by Independent legal council.

-The Seller[s] and the Buyer[s] acknowledge that the Brokerages/Sales Representatives provide agency services, but do not provide legal, accounting or other expert advice in matters beyond the common standard of care in the Real Estate Industry.

-The parties to this Contract of Purchase and Sale are advised to seek independent professional advice without limitation from lawyers, accountants, appraisers, home inspectors, surveyors, insurance agents, mortgage consultants, land use planners, and environmental consultants.

-The Buyer[s] is/are aware of municipal property tax adjustments, as well as Property Transfer Tax in the amount of 1% of the first \$200000.00 of the purchase price and 2% on any balance over \$200,000.00 and 3% on any balance over 2,000,000 are both payable upon completion.

-Notwithstanding any and all representation made, The Buyer[s] is/are satisfied with the size, measurement and other information of the dwelling[s] and/or land[s] and acknowledges that the size, measurements, zoning information all allowable land use provisions, and other information they have received regarding the dwelling[s] and/or land[s] while thought to be accurate, is not guaranteed to be accurate, and if important to the buyer, should to be relied upon without verification with the proper authorities by the Buyer themselves prior to signing this Contract of Purchase and Sale.

-The Buyer[s] and Seller[s] acknowledges reading and understanding the "Information about the Contract" especially item #6 "customary cost of the Buyer[s] and Seller[s]", contained in this Contract of Purchase and Sale, as well as the "Disclosure of Representation and Trading Services" brochure

-The Buyer[s] acknowledges having received and signed and/or initialed a Disclosure of remuneration/Referrals in accordance with the Real Estate Services Act before the presentation of this Contract of Purchase and Sale.

-The Buyer[s] is aware of the property is being sold 'as is where is condition'.

-The Buyers[s] will receive the vacant possession of the property; including house , barns and no farm lease in place.

ALL OTHER TERMS AND CONDITIONS CONTAINED IN THE SAID COMMERCIAL CONTRACT OF PURCHASE AND SALE REMAIN THE SAME AND IN FULL FORCE AND EFFECT.

WITNESS _____


BUYER K & K Properties Ltd

12/21/2024

WITNESS _____

BUYER _____

WITNESS _____


SELLER Deloitte Restructuring Inc.

WITNESS _____

SELLER _____

A155 (REV. 06/02)