



NO. H-240524
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

WHITEWATER CONCRETE LTD., WHITEWATER DEVELOPMENTS LTD., ROBERT KYLE SMITH, CRAIG SMITH, KRYSTLE HOLDINGS LTD., BASTIAN HOLDINGS LTD., 145 GOLDEN DRIVE LTD., BARRY CARLES HOLDINGS LTD., BECISION HOLDING CORPORATION, G.I.H. PROPERTIES LTD., MCVICAR & COMPANY HOLDINGS INC., TNL DEVELOPMENTS LTD., AMAN GILL, PETER CHAPPELL, SANDRA CHAPPELL, AND TERESA GAUTREAU

RESPONDENTS

**FIRST REPORT OF THE COURT-APPOINTED RECEIVER OF
145 GOLDEN DRIVE LTD., WHITEWATER CONCRETE LTD., AND WHITEWATER
DEVELOPMENTS LTD.**

DATED MAY 13, 2025

PREPARED BY DELOITTE RESTRUCTURING INC.

TABLE OF CONTENTS

INTRODUCTION	1
Terms of reference	2
BACKGROUND	2
Related companies	3
Books and records	3
Employees and contractors	3
Background on the financial difficulties faced by the Debtors	3
POWERS OF RECEIVER	4
ACTIONS OF THE RECEIVER	4
ASSETS	5
Cash	5
Prepaid deposits	5
Accounts receivable	5
Golden Property	5
GOLDEN PROPERTY SALE PROCESS	6
Background and engagement of Colliers	6
Colliers' marketing activities	6
Offers Received	7
Receiver's views on the 070 Offer	8
CREDITORS AND SECURED CHARGES	8
CRA priority claims	8
Receiver's charge and borrowings	9
Other secured debts	9
Unsecured creditors	10
STATEMENT OF RECEIPTS AND DISBURSEMENTS	10

APPENDICES

Appendix "A" – Receiver's interim statement of receipts and disbursements for 145 Golden Drive Ltd. the period from July 2, 2024 to April 29, 2025

Appendix "B" – Colliers marketing report dated April 30, 2025

Appendix "C" - Contract of purchase and sale between the Receiver and 0706617 BC Ltd. dated March 18, 2025 for the purchase of the Golden Property

Appendix "D" – Assignment of interest in contract of purchase and sale dated April 8, 2025

Appendix "E" – Conditions waiver dated April 24, 2025

INTRODUCTION

- 1) Pursuant to an Order (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") dated July 2, 2024 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver (in such capacity, the "**Receiver**") without security, of certain lands, other assets and property of 145 Golden Drive Ltd. ("**145**" or "**Golden**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
- 2) The Receivership Order also appointed Deloitte as the Receiver without security, of certain lands, other assets and property of Whitewater Concrete Ltd. ("**Concrete**") and Whitewater Developments Ltd. ("**Developments**" and together with Concrete, "**Whitewater**" or the "**Operating Companies**"). Whitewater and 145 are collectively referred to herein as the "**Debtors**".
- 3) The primary secured creditor of Golden is Business Development Bank of Canada ("**BDC**") who was owed approximately \$10.5 million (before costs or protective disbursements) (the "**BDC Direct Debt**") from Golden as at June 19, 2024. As of April 16, 2025, with interest and other fees, the BDC Direct Debt is approximately \$11.4 million. BDC holds an all-indebtedness first mortgage (the "**Golden Property First Mortgage**"), over the lands at 145 Golden Drive, Coquitlam, BC (the "**Golden Property**") which, in addition to the BDC Direct Debt, secures the following:
 - a) a guarantee from Golden to cover advances by BDC to Whitewater (the "**Whitewater Guarantee**"), which advances (with interest) totaled \$3.4 million as at April 16, 2025; and
 - b) a guarantee from Golden (the "**Lougheed Guarantee**") to cover advances by BDC to 27222 Lougheed Highway Holdings Ltd. ("**Lougheed**"), a company related to the Debtors, which advances (with interest) totaled \$12.7 million as at April 16, 2025 (to a maximum of \$15.0 million).
- 4) As at April 16, 2025, the total debt owing to BDC pursuant to the BDC Direct Debt, the Whitewater Guarantee and the Lougheed Guarantee (collectively, the "**BDC Security**") is \$27.5 million (the "**BDC Debt**"), all of which is secured by the Golden Property First Mortgage.
- 5) The Receivership Order was granted pursuant to an application by Royal Bank of Canada ("**RBC**", and together with BDC, the "**Lenders**"), the primary secured creditor of the Operating Companies. RBC was owed approximately \$10.8 million from Concrete and \$0.8 million from Developments as at May 28, 2024 pursuant to various credit facilities (the "**RBC Facilities**") provided to the Operating Companies. The Debtors' facilities were originally provided by HSBC Bank Canada ("**HSBC**"), which was amalgamated with RBC on March 28, 2024. For the purposes of this report, RBC is used to refer to facilities or security registered under either of RBC or HSBC. The Receiver understands that RBC holds various registered security over the Operating Companies' present and after-acquired real and personal property, along with various personal guarantees, a corporate guarantee from Golden and a second mortgage on the Golden Property (collectively, the "**RBC Security**"). The RBC Facilities and the RBC Security are more fully described in the first affidavit of Mr. John Lee of RBC dated June 6, 2024 ("**First Lee Affidavit**").
- 6) Lougheed owns a property located at 27222 Lougheed Highway, Delta, BC (the "**Lougheed Property**"). The direct debt of Lougheed to BDC, along with Lougheed's obligations to BDC pursuant to the Lougheed Guarantee are secured by an all-indebtedness first mortgage over the Lougheed Property (the "**Lougheed Property First Mortgage**"). The BDC Security is more fully described in the first affidavit of Ms. Valerie Lock of BDC dated June 28, 2024 ("**First Lock Affidavit**").
- 7) Following the issuance of the Receivership Order, the Receiver issued a statutory Notice and Statement of the Receiver for the Debtors (the "**Notice to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**").
- 8) The Receivership Order, together with the Notice to Creditors have been posted on the Receiver's website at <https://www.insolvencies.deloitte.ca/whitewater> (the "**Receiver's Website**").

- 9) This is the Receiver's first report in the Receivership Proceedings (the "**First Report**" or "**this Report**") and only pertains to 145. The Receiver will be issuing a report in regard to Whitewater at a later date.
- 10) 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

- 11) The purpose of this First Report is to:
 - a) provide the Court with an overview of 145's business and pertinent background information;
 - b) report on the Receiver's activities with respect of 145 since the Date of Receivership;
 - c) report on the receipts and disbursements for 145 as outlined in the Receiver's interim statement of receipts and disbursements from the Date of Receivership to April 29, 2025 (the "**Receiver's 145 R&D**"), a copy of which is attached hereto as **Appendix "A"**;
 - d) report on the sale process undertaken by the Receiver with respect to the Golden Property;
 - e) provide an overview of the salient terms of the contract of purchase and sale between the Receiver and Dalla Zanna Properties Inc. ("**DZP**"), that was subsequently assigned by Dalla Zanna to 0706617 BC Ltd. ("**070**"), dated March 18, 2025 and executed and delivered on March 25, 2025 for the purchase of the Golden Property for \$21.2 million (the "**070 Offer**") that is being presented to the Court for approval; and
 - f) support the Receiver's application(s) for an order:
 - i. approving the activities of the Receiver as described in this First Report; and
 - ii. authorizing and directing the Receiver to complete the transaction pursuant to the 070 Offer (the "**Transaction**") and carrying out all steps necessary to do so.

Terms of reference

- 12) In preparing this First Report, the Receiver has relied upon unaudited financial and other information prepared by the Debtors' bookkeeper, 145's books and records, the First Lee Affidavit, the First Lock Affidavit, and discussions with former management of the Debtors, including Mr. Craig Smith ("**Mr. C. Smith**") and Mr. Kyle Smith (together with Mr. C. Smith, the "**Smiths**").
- 13) 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 *CPA Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.
- 14) All dollar amounts in this First Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

- 15) The Smiths, through their holding companies Krystle Holdings Ltd. and Bastian Holdings Ltd., respectively, each own 50% of 145.
- 16) 145 was incorporated in British Columbia on November 10, 2011 and its directors are the Smiths. 145 has no officers or employees.
- 17) 145 exists exclusively as a holding company for the Golden Property. The Golden Property was the former head office for the Operating Companies but now only includes two (2) third party tenants (the "**Tenants**"), Aluma Systems, Inc. ("**Aluma**") and Ulma Construction Systems Canada Inc. ("**Ulma**"), who entered into leases with Golden in 2015 and 2021, respectively.

Related companies

- 18) The Receiver understands from information it has obtained from various sources that the following companies are related to the Debtors and/or the Smiths (the "**Related Companies**"):
- a) Legacy Cranes & Equipment Ltd. which owns various equipment and inventory that is comingled with Whitewater's assets at various locations.
 - b) Skaw Properties Ltd., a holding company that owns various properties.
 - c) Loughheed, a holding company that owns the Loughheed Property and is the landlord of Whitewater.
 - d) A&H (Steel) Vancouver Ltd., a joint venture between Concrete and A&H Steel Ltd. that was formed in 2019, which is owned 30% by the Smiths through their holding companies, and is operated from the Loughheed Property.
 - e) Torrent Shotcrete Capital Inc. and Torrent Shotcrete Structures Ltd., a structural shotcrete company owned 50% by the Smiths and 50% by another party.
 - f) Trilogy Concrete 2021 Ltd. ("**Trilogy**"), a partnership between Concrete and Syber Concrete Forming Ltd. that was created specifically for a project at the new St. Paul's hospital in Vancouver, BC (the "**St. Paul's Project**"). The Receiver petitioned Trilogy into bankruptcy and obtained a bankruptcy order on March 12, 2025.
- 19) The Receiver has obtained limited information on the Related Companies from the Smiths and other parties as these entities are outside of the scope of the Receivership Order. However, there appear to be many related party transactions and interactions amongst the Debtors and the Related Companies that require further investigation. The Receiver will provide more details in its first report for Whitewater.

Books and records

- 20) The Debtors maintain hard copy books and records which are held at the Loughheed Property. Electronic records are stored in password-protected IT systems on Debtors-owned laptops locally or on a private server.
- 21) The Receiver notes that 145's financial records were not current and had not been updated for several months prior to the Date of the Receivership. This made the task of assessing the financial position of 145 and the related assets and liabilities more challenging and time consuming.
- 22) The most recently available financial statements for 145 were as at April 30, 2023.

Employees and contractors

- 23) 145 has no direct employees. All of its operations were conducted by employees of Whitewater.

Background on the financial difficulties faced by the Debtors

- 24) The Smiths, faced with a challenging construction market, agreed to have Concrete take on the St. Paul's Contract on a time-and-materials basis. This contract required several change orders that resulted in Concrete disbursements greatly exceeding the receipts from the project.
- 25) Concrete was also experiencing losses, though to lesser extents, on other projects over the past several years due to increasing labour and material costs and fixed contract prices. Many of these projects also required expenditures on unique forming equipment that could not be reused or sold after use, much of which now remains stored at the Loughheed Property and a property not owned by the Debtors which is located at 8653 S River Rd., Dewdney, BC.
- 26) Faced with these difficulties, the Receiver understands that the Smiths explored a potential sale of Whitewater to an unrelated development company. The Receiver understands that the transaction ultimately did not close, resulting in the Operating Companies having no alternative sources of capital to finance their operations and payments to RBC or BDC.

- 27) As a result of various defaults, RBC issued demand letters and entered into several forbearance agreements with the Debtors with respect to the RBC Security and Whitewater ceased to deposit funds into the RBC bank accounts since April 2024.
- 28) The details of the Debtor's default are described further in the First Lee Affidavit.
- 29) RBC applied for and obtained the Receivership Order, which is limited to the Whitewater Current Assets (as defined in the Receivership Order) and the Golden Property, for the following reasons:
 - a) RBC had limited knowledge and current information on the status of the operations, financial position, and assets and liabilities of the Debtors, including the eight ongoing residential and commercial development projects of Concrete (the "**Concrete Projects**"), and the Debtors did not consent or agree to the completion of a business review by an independent party.
 - b) RBC did not want to fund the significant payroll amounts of the Debtors and continue operations without first knowing the status of the Concrete Projects.
 - c) The potential value of the property and equipment of Whitewater was unknown along with the locations, condition, ownership and potential lease, lien and other priority claims on such equipment.

POWERS OF RECEIVER

- 30) The Receiver's powers are detailed in paragraph 3 of the Receivership Order and include, among other things, the power to take possession and control of the Whitewater Current Assets and the Golden Property (as defined in the Receivership Order); the power to receive and collect all monies and accounts owing to the Operating Companies; and, the power to market and sell the Property, as defined in the Receivership Order (subject to Court approval if any one transaction exceeds \$100,000 or if the aggregate of transactions exceeds \$500,000).

ACTIONS OF THE RECEIVER

- 31) The Receiver has taken the following steps with respect to 145 since the Date of Receivership:
 - a) attended the Golden Property to inspect the premises and determine if any Whitewater assets were on site;
 - b) advised the Debtors' insurance broker of the Receivership Proceedings and confirmed and arranged for amendments to the existing insurance policies, including on the Golden Property, to reflect the Receivership Proceedings and have the Receiver added as named insured;
 - c) arranged to freeze the bank account of Golden, as further detailed later in this Report;
 - d) corresponded with the Tenants to inform them of the Receivership Proceedings and directed them to pay rent to the Receiver;
 - e) prepared, delivered and followed up on the ongoing monthly rental invoices to the Tenants, and collected the rent in arrears as at the Date of Receivership;
 - f) communicated the Receivership Proceedings to the local utility companies and arranged to have the utility accounts on the Golden Property placed in the Receiver's name;
 - g) held discussions with and provided various updates to RBC, its legal counsel, and BDC;
 - h) held multiple meetings with the Smiths to discuss the background of the Golden Property and lease history, and to request various financial and other information;
 - i) retained Lawson Lundell LLP ("**Lawson**") to act as independent legal counsel to the Receiver;
 - j) prepared and issued the Notice to Creditors as required under the BIA;
 - k) set up the Receiver's Website for stakeholders to access the various Court orders and materials;

- l) liaised with various creditors relating to the Debtors' outstanding liabilities and the Receivership Proceedings;
 - m) held multiple meetings with retained employees of Whitewater to review the books and records and understand collections history of the Golden Property;
 - n) contacted Canada Revenue Agency ("CRA") to review the payroll remittance and goods and services tax ("GST") of the Debtors' accounts to facilitate filings for the period after the Date of Receivership;
 - o) arranged with the software vendor to have 145's electronic records transferred to the Receiver's account;
 - p) set up trust accounts for Golden and completed various estate accounting;
 - q) took various steps to market the Golden Property, including retaining Colliers Macaulay Nicolls Inc. ("Colliers") to be the listing agent for the Receiver, as further detailed later in this Report; and
 - r) prepared this Report.
- 32) The Receiver has also undertaken various activities with respect to Whitewater. These activities will be detailed in a separate Court report.

ASSETS

Cash

- 33) 145 had cash in its bank account of approximately \$121,000 as at June 28, 2024. As of the Date of Receivership, the balance in the RBC account was \$15,676. The Receiver had this amount transferred to its trust account.

Prepaid deposits

- 34) 145 reported a balance of nil prepaid expenses as at April 30, 2023, the date of the most recently available financials, and no prepaid expenses were recorded in 145's electronic accounting records.

Accounts receivable

- 35) 145 reported AR of approximately \$131,000 as at April 30, 2023, the date of the most recently available financial statements. A balance of nil was recorded in 145's electronic accounting records. From conversations with Mr. C. Smith, the Receiver understood that Ulma had been withholding the July 2024 rent amount due to Golden as it was owed money by Whitewater. This amount, of approximately \$55,000, was the only outstanding balance owing to 145 as of the Date of Receivership. The Receiver collected this amount and both Tenants remain current on their rent as of May 1, 2025.

Golden Property

- 36) 145's primary asset is the Golden Property. As of April 30, 2023, the date of the most recently available financial statements for 145, the net book value of the property (inclusive of land, buildings, and paving) was approximately \$7.1 million. The Receiver was provided with a copy of an appraisal for the Golden Property as of February 25, 2022, which estimated the value of the property at approximately \$32.8 million. The most recent assessed value of the Golden Property by BC Assessment is \$29.0 million as of July 1, 2024.
- 37) The Golden Property has been leased by the Tenants since 2015 and 2021, respectively. Aluma's lease is set to expire on September 30, 2025 as Aluma did not opt to extend the lease for another five-year term by the extension deadline date of March 30, 2025. Ulma's initial lease is set to expire on April 30, 2026 with an option to renew for an additional five-year term at market rates. The Receiver notes that both leases are currently at rental amounts that are significantly below market rates.

- 38) The Tenants, in addition to their rent, are responsible for paying for utilities and property taxes. The Receiver is responsible for making payments of water, sewage, electricity, property insurance, and natural gas ("**Utilities**") on the Golden Property. The Receiver invoices the Tenants for the monthly Utilities. As per the lease agreements in place with the Tenants at the Date of Receivership, Ulma is invoiced monthly for the base rent and the actual cost of the Utilities, and Aluma is billed monthly for the base rent and an equal amount for the estimated monthly Utilities (with a true-up completed in July of each year).
- 39) The 2024 property taxes on the Golden Property in the amount of \$279,182, which included a 5% late penalty, were paid directly by BDC in September 2024. The Receiver is not aware of any other property tax arrears.

GOLDEN PROPERTY SALE PROCESS

Background and engagement of Colliers

- 40) Prior to the Receivership Proceedings, the Golden Property was listed for sale in early 2023 by Cushman & Wakefield ULC ("**Cushman & Wakefield**"). In November 2023, CBRE Limited ("**CBRE**") replaced Cushman & Wakefield as the listing agent and undertook a marketing relaunch at that time.
- 41) On July 23, 2024, the Receiver issued a request for proposals to several commercial real estate brokerages. On July 30, 2024, the Receiver obtained proposals from five brokerages (the "**Proposals**"), including Cushman & Wakefield and CBRE. The Receiver reviewed the Proposals, held discussions with the brokers, consulted with the Lenders, and on August 8, 2024 selected Colliers as the broker to relist the Golden Property and executed a listing agreement on August 14, 2024 for a six-month term to February 10, 2025.
- 42) The Proposals provided an estimated value range on the Golden Property between \$16.8 million and \$26.7 million if the Golden Property was sold with the existing leases in place with the Tenants (under the assumption that Aluma would opt to extend its existing lease at below market rates for another five years which it subsequently chose not to do). If the Golden Property was sold on a vacant possession basis, the Proposals provided an estimated value range of between \$31.0 million and \$36.4 million.

Colliers' marketing activities

- 43) Colliers has undertaken the following marketing activities with respect to the Golden Property:
- a) On August 18, 2024, Colliers commenced its "soft launch" marketing of the Golden Property with no list price but with pricing guidance of \$36.5 million. Activities included the preparation of professional drone aerials of the property, publishing the listing on collierscanada.com (with 1,464 exclusive views to April 30, 2025), installing signage on the property, and activating a data room containing pertinent due diligence documents for interested parties.
 - b) On September 5, 2024, Colliers formally launched the marketing of the Golden Property listing after the Labour Day long weekend. The launch included emailing 240 investors and developers through a Colliers-specific mailing list, as well as an MLS Commercial email to 852 real estate agents. Colliers also marketed the listing in the Business In Vancouver and Western Investor magazines, and placed a digital banner ad on the Real Estate News Exchange website.
 - c) On October 9, 2024, Colliers undertook a second email marketing campaign. This second campaign included emailing 240 investors and developers through a Colliers-specific mailing list, as well as an MLS Commercial email to 852 real estate agents. Between October 10, 2024 and November 5 2024, a digital banner ad was placed on the Business In Vancouver website.
 - d) In early January 2025, Colliers reduced the pricing guidance from \$36.5 million to \$32.7 million in consultation with the Receiver and the Lenders in order to reflect market conditions and market feedback.

- e) On January 16, 2025, to coincide with the reduced pricing guidance, Colliers undertook a third email marketing campaign through a Colliers-specific mailing list and an MLS Commercial mailing list.
- f) On February 10, 2025, the Receiver extended the listing agreement with Colliers for another six months to August 14, 2025.
- g) In early March 2025 and in response to the offers received to that point, Colliers further reduced the pricing guidance to \$25.0 million. At this time, Colliers reached out to previous bidders to inform them of the reduction in the pricing guidance.
- h) On March 14, 2025, to coincide with the further reduced pricing guidance, Colliers undertook a fourth and final email marketing campaign through a Colliers-specific mailing list and an MLS Commercial mailing list.
- i) Between August 2024 and March 2025, Colliers conducted site tours with four parties, and 14 parties signed confidentiality agreements to obtain access to Colliers' virtual data room. Colliers made between 60 and 80 personal sales calls with active industrial users and target groups in addition to fielding ad-hoc questions from various commercial real estate agents.

Offers Received

- 44) Colliers received the following conditional offers on the Golden Property which all required vacant possession:
 - a) On December 11, 2024, the first offer was received by Colliers on the Golden Property from DZP for \$18.6 million. The Receiver countered at \$30.0 million given its pricing guidance at the time but did not receive a formal counteroffer from DZP. Upon being informed by Colliers of the reduced pricing guidance on the Golden Property in early March 2025, DZP submitted a revised offer for \$20.6 million on March 18, 2025.
 - b) On January 23, 2025, Eternity Properties Inc. ("**Eternity**") submitted an offer for \$19.2 million. On January 31, 2025, after Colliers indicated to Eternity that their offer was too low, Eternity submitted a revised offer for \$21.0 million. On February 3, 2025, the Receiver countered at \$30.0 million but received only verbal feedback that the countered price was too high for Eternity to consider. Upon being informed by Colliers of the reduced pricing guidance on the Golden Property in early March 2025, Eternity submitted a revised offer for \$21.0 million on March 12, 2025.
 - c) On January 30, 2025, Alterra Property Group ("**Alterra**") submitted an offer for \$20.0 million. On February 11, 2025, the Receiver countered Alterra at \$30.0 million but did not receive a formal response.
 - d) On March 6, 2025, the City of Coquitlam (the "**City**") submitted an offer for approximately \$16.8 million. The Receiver countered the City at \$25.0 million, based upon the reduced pricing guidance at that time. The City submitted a new offer for \$18.5 million on March 12, 2025.
- 45) Based on the above offers received, on March 19, 2025, Colliers invited both DZP and Eternity to submit their best and final offers. Eternity advised they would not be submitting a revised bid.
- 46) On March 20, 2025, DZP submitted a revised conditional offer with a purchase price of \$21.2 million (the "**Purchase Price**"). On March 24, 2025, the Receiver countered at \$21.2 million with 30 days to clear conditions and a closing date of no later than July 30, 2025. On March 25, 2025, DZP accepted the counteroffer and the Receiver and DZP executed and delivered the 070 Offer to purchase the Golden Property for \$21.2 million. On April 8, 2025, the Receiver and DZP entered into an assignment agreement to assign DZP's interest in the 070 Offer to a related company, 070. A copy of this assignment is attached hereto as **Appendix "D"**.
- 47) Colliers' complete marketing activities and additional details of the various offers received are more fully outlined in the Colliers Marketing Report dated April 30, 2025 (the "**Colliers Marketing Report**") which is attached hereto as **Appendix "B"**.

The 070 Offer

- 48) The 070 Offer includes the following more significant terms and conditions:
- a) The Purchase Price of \$21.2 million.
 - b) Conditional on Court approval and vacant possession.
 - c) Conditional on the purchaser having 30 days to review available documents on the Golden Property (including an environmental assessment), secure financing, and inspect the property (the "**070 Conditions**"). The 070 Conditions were waived on April 24, 2025. A copy of the conditions waiver is attached hereto as **Appendix "E"**.
 - d) Initial deposit of \$100,000 with an additional deposit of \$1.0 million after the waiver of the 070 Conditions (the "**Deposits**"). The Deposits have been received and are being held by Lawson.
- 49) A copy of the 070 Offer is attached hereto as **Appendix "C"**.
- 50) The Receiver understands that 070 has been in direct contact with the Tenants and is close to signing short-term extensions with both. On August 23, 2024, Lawson informed the Tenants that Colliers would be listing the Golden Property for sale and that the ultimate buyer may wish to acquire it on a vacant possession basis.

Receiver's views on the 070 Offer

- 51) Since the execution of the 070 Offer, Colliers has continued to market the Golden Property and is seeking competing bids.
- 52) Colliers will also update the Colliers website advising parties of the pending Court approval date for an accepted offer and inviting interested parties to inquire about the process of submitting a competing offer for the Golden Property. In addition, contact information for the Tenants has been provided by Colliers to parties interested in submitting a competing offer to allow these groups to enter into discussions regarding renewal options.
- 53) The Receiver's comments on the 070 Offer are as follows:
- a) The Golden Property has been extensively marketed by Colliers since late August 2024. Prior to that, the Golden Property was listed Cushman & Wakefield and then CBRE since early 2023.
 - b) The timing and other terms in the 070 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 length of the marketing period, the other offers received, the market response to date, the current market conditions, and the recommendation of Colliers.
- 54) BDC and RBC, as the primary secured creditors of 145 and the Golden Property, are supportive of the Transaction.
- 55) Based on the above, the Receiver therefore seeks approval of the 070 Offer for \$21.2 million.

CREDITORS AND SECURED CHARGES

CRA priority claims

- 56) CRA has not undertaken a GST trust examination for Golden.
- 57) The Receiver filed the one outstanding pre-receivership GST return for Golden which indicated a total amount payable of \$26,729. The Receiver is not aware of any other arrears and this amount may be subject to change through a future CRA trust examination.
- 58) The Receiver has also continued to file the post-receivership GST returns. The current balance of GST collected by the Receiver and owing to the CRA is \$50,575.

- 59) As mentioned above, 145 did not have any employees. As such, there are no known payroll source deduction amounts owing to CRA by 145.

Receiver's charge and borrowings

- 60) Pursuant to paragraph 21 of the Receivership Order, the Receiver and Lawson, as its legal counsel, are the beneficiaries of 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.
- 61) Pursuant to paragraph 24 of the Receivership Order, the Receiver is authorized to borrow up to \$250,000 without further approval of the Court for the purpose of carrying out its duties and powers (the "**Borrowing Facility**").
- 62) The Receiver has not made any draws on the Borrowing Facility to date.

Secured indebtedness

- 63) As noted above, the BDC Debt secured by the Golden Property First Mortgage totals \$27.5 million as at April 16, 2025.
- 64) The BDC 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, if any.
- 65) BDC, as first mortgage holder, is expected to suffer a shortfall and no amounts are expected to be payable from the sale of the Golden Property to RBC or the BCM Parties (as defined below).

Other secured debts

- 66) There is a syndicate of investors that provided funding to Golden that is secured by a third mortgage against the Golden Property. These investors are referred to herein as the "**BCM Parties**" and include:
- a) Barry Charles Holdings Ltd.;
 - b) Becision Holding Corporation;
 - c) G.I.H. Properties Ltd.;
 - d) McVicar & Company Holdings Inc.;
 - e) TNL Developments Ltd.;
 - f) Aman Gill;
 - g) Peter Chappell;
 - h) Sandra Chappell; and
 - i) Teresa Gautreau.
- 67) The BCM Parties are owed approximately \$3.0 million. The Receiver does not anticipate proceeds being available for distribution to the BCM Parties.
- 68) Echelon Insurance is the only other party with a secured charge against Golden in the Personal Property Registry, subordinate to BDC. The Receiver has not undertaken a review of amounts potentially owed to this party.

Unsecured creditors

- 69) Based on the available books and records of the Debtors and correspondence received from creditors, the Receiver estimates total unsecured creditors claims of approximately \$8.6 million as of the Date of Receivership.
- 70) The Debtors' records do not provide detail as to what portion of that balance is owed by Golden versus the Operating Companies. It is the Receiver's understanding that it exclusively relates to amounts owed by Whitewater, and therefore Golden has no unsecured creditors. The Receiver has not been contacted by any parties purporting to be a creditor of Golden.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 71) The Receiver's 145 R&D reflects the administration of the Receivership Proceedings from the Date of Receivership to April 29, 2025 and is attached hereto as **Appendix "A"**.
- 72) As of April 29, 2025, the Receiver's gross receipts amounted to \$1,078,039, primarily relating to the collection of ongoing after-tax monthly rental payments at the Golden Property by Tenants since the Date of Receivership, as well as the transfer of funds from the RBC bank account at the Date of Receivership.
- 73) During the same period, the Receiver made disbursements totalling \$361,789 including, among other items, \$53,029 for the Receiver's fees, \$35,650 in Lawson's fees, and other amounts for insurance and Utilities on the Golden Property that are reimbursed by the Tenants. Additionally, funds of \$235,610 were transferred from the Golden receivership trust account to the Concrete receivership trust account to cover the unfunded professional fees related to the Whitewater receiverships (the **"Concrete Transfer"**).
- 74) The Concrete Transfer was made on January 21, 2025, with the concurrence of the Lenders, in order to avoid the Receiver having to draw on the Borrowing Facility. The Concrete Transfer will be accounted for as part of the overall Receivership Proceedings and the allocation of costs between the Lenders.
- 75) The net cash balance held by the Receiver for Golden as at April 29, 2025 was \$716,249.

CONCLUSIONS AND RECOMMENDATIONS

- 76) Based on the foregoing, the Receiver respectfully requests that the Court grant the Orders cited at paragraph 12(g) of this First Report.

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

DELOITTE RESTRUCTURING INC.

In its Capacity as Court-appointed Receiver of
Whitewater Concrete Ltd., Whitewater Developments Ltd.,
and 145 Golden Drive Ltd.
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 145 Golden Drive Ltd. the period from July 2, 2024 to April 29, 2025

In the Matter of the Receivership of 145 Golden Drive Ltd.

Receiver's Interim Statement of Receipts and Disbursements For the Period of July 2, 2024 to April 29, 2025

Description	Amount (CDN)
Receipts	
Gross rental income, incl. utilities	\$ 1,011,703
Transfer from pre-Receivership bank account	15,649
GST on rental income	50,575
PST on rental income	11
Interest allocation	101
Total receipts	\$ 1,078,039
Disbursements	
Transfer to Whitewater account for professional fees	\$ 235,610
Receiver's fees and costs to Feb. 28, 2025	53,029
Legal fees to Jan. 31, 2025	35,650
Insurance	9,247
Utilities on property	17,519
Other misc. disbursements	2,080
Mail forwarding	297
Bank charges	363
GST on disbursements	5,281
PST on disbursements	2,714
Total disbursements	\$ 361,789
Excess of receipts over disbursements	\$ 716,249

Appendix "B"

Colliers Marketing Report dated April 30, 2025

April 30, 2025

Deloitte Restructuring Inc.

ATTN: Mr. Jeff Keeble and Mr. Kaleb Butt

RE: 145 Golden Drive, Coquitlam, BC (the "Property")
Action No. H240524, Supreme Court of British Columbia

Summary of Marketing, Offering and Recommendation

We are pleased to provide this letter highlighting our marketing activities for the Property on behalf of Deloitte Restructuring Inc. (the "Receiver"), a summary of the offering process for the Property and our recommendation. The details of our marketing efforts and of the offering and negotiation process and a summary of the recommended offer are highlighted here.

Overview of Marketing Campaign

1. Colliers Listing Agreement:	Date Signed – August 14, 2024 Term – 6 months (February 10, 2025) Asking Price – Pricing Guidance Listing Extension – Signed February 10, 2025 – extended to August 14, 2025
2. Professional Drone Aerials:	Professional drones of the site and the neighbourhood were shot
3. Customized Property Brochure:	Brochure created with the Property highlights, overview, salient facts photos and location overview
4. Colliers Canada Website	https://www.colliers.com/p-can/2016006 Exclusive views to date: 1,464 Listing went live on August 18, 2024 Listed as Premium – posting the listing on the first page of Colliers Canada Properties webpage
5. Signage:	1 4X4 V-sign installed in ground close to entrance of property Install Date: August 27, 2024

6. Documents Provided:	The documents provided have been placed in the Data Room
7. Creation of Data Room:	<ul style="list-style-type: none"> Leases <ul style="list-style-type: none"> Aluma Lease Renewal Aluma Systems 2015 Lease ULMA Executed Lease Offer Template Phase 1 Environmental Report Property Photographs Site Survey Zoning <p>Prospective buyers were given an opportunity to view confidential documents related to the offering in the Data Room after signing a confidentiality agreement</p>
8. Confidentiality Agreements Signed:	14 - Signed to date
9. Print Advertising:	Business in Vancouver – September 9, 2024 Western Investor – September 25, 2024
10. Digital Advertising:	RENX Digital Ad – Banner – September 3-12, 2024 BIV Digital Ad – Real Estate Section – Banner AD – October 10 - November 5, 2024
11. Email Marketing Campaigns:	<p>Property Launch – September 5, 2024 <i>Colliers Eblast</i> – 240 recipients – targeted industrial users and brokers <i>MLS Commercial Eblast</i> – 852 recipients – Commercial Brokers</p> <p>Market Reminder – October 9, 2024 <i>Colliers Eblast</i> – 240 recipients – targeted industrial users and brokers <i>MLS Commercial Eblast</i> – 852 recipients – Commercial Brokers</p> <p>New Pricing – January 16, 2025 <i>Colliers Eblast</i> – 240 recipients – targeted industrial users and brokers <i>MLS Commercial Eblast</i> – 852 recipients – Commercial Brokers</p> <p>New Pricing – March 14, 2025 <i>Colliers Eblast</i> – 240 recipients – targeted industrial users and brokers <i>MLS Commercial Eblast</i> – 852 recipients – Commercial Brokers</p>
12. Sales Calls:	Direct sales call to the active industrial users and target groups, total of approximately 60-80 calls plus additional inquiries from commercial real estate agents

13. Site Tours

- Sunbelt Rentals Canada
 - Aluma Systems
 - City of Coquitlam
 - Dalla Zanna
-

Review of Buyer Interest

We received a strong response from the market throughout the marketing period as demonstrated by the 12 prospective purchasers who executed confidentiality agreements, the 4 property tours that were completed and the multiple offers received as outlined below.

Confidentiality Agreements:

An executed Confidentiality Agreement was required to receive access to the online data room, as outlined above. Executed and received from the following parties.

- | | |
|---------------------------|------------------------|
| • City of Coquitlam | • Seacliffe Properties |
| • Aluma Safway | • Stericycle Canada |
| • Alterra Property Group | • Sunbelt Rentals |
| • Bath Investments Ltd. | • Cambie Forming |
| • Dalla Zanna Properties | • CRS Group |
| • Eternity Properties | • Sidca Trading |
| • Insurance Auto Auctions | • Transport Properties |

Offers Received

As a result of Colliers' marketing efforts, we received multiple offers for consideration of the Receiver over the course of our marketing term. Details of each of these offers are outlined below and additional information regarding the offering pricing and negotiation strategy is included latter in this letter.

- **Offer 1**
 - **Dalla Zanna Properties**
 - Date: December 11, 2024
 - Purchase Price: \$18,628,000
 - Buyer's Conditional Period: 75 days
 - Completion Date: 30 days after Court Approval
 - Notes: Vacant possession
- **Offer 2**
 - **Eternity Properties**
 - Date: January 23, 2025
 - Purchase Price: \$19,200,000
 - Buyer's Conditional Period: 30 days

- Completion Date: 3 days after Court Approval
- Notes: Vacant possession

- **Offer 3 (Letter of Intent)**
 - **Alterra Property Group**
 - Date: January 30, 2025
 - Purchase Price: \$20,000,000
 - Buyer's Conditional Period: 45 days
 - Completion Date: 15 days after Court Approval

- **Offer 4 (Term Sheet)**
 - **City of Coquitlam**
 - Date: March 6, 2025
 - Purchase Price: \$16,786,383
 - Buyer's Conditional Period: May 15, 2025
 - Completion Date: 30 days after Court Approval
 - Notes: Vacant possession

- **Offer 5 (Resubmission)**
 - **Eternity Properties**
 - Date: March 12, 2025
 - Purchase Price: \$21,000,000
 - Buyer's Conditional Period: 30 Days
 - Completion Date: 45 days after Court Approval
 - Notes: Vacant possession

Summary of Recommended Offer

Details of the offer, resubmitted on March 18th, 2025 and subsequently negotiated, from Dalla Zanna Properties Inc. ("Dalla Zanna") are highlighted below. Based on feedback received from the market over the course of the marketing campaign and when compared to the other written offer received, this offer provides the best price, strong deposit and reasonable timeline.

Purchaser:	Dalla Zanna Properties Inc.
Purchase Price:	\$21,218,000.00
Acceptance Date:	March 25 th , 2025
Initial Deposit:	\$100,000.00 – paid to Seller's Lawyer – Lawson Lundell LLP within two (2) business days after the Mutual Acceptance Date (March 27 th , 2025)

Second Deposit:	\$1,000,000.00 – paid to Seller’s Lawyer – Lawson Lundell LLP within two (2) business days after Purchaser’s Subject Removal (April 26 th , 2025)
Purchaser Conditions:	Removed April 24 th , 2025
Vendor Conditions:	Subject to Court Approval
Closing Date:	July 30, 2025

The Dalla Zanna offer is now firm and both deposits have been paid and are currently held in trust by Lawson Lundell LLP.

As part of the due diligence completed by Dalla Zanna during their purchaser’s conditional period, the purchaser conducted discussions with the existing tenants on the property, Aluma and Ulma, with the goal of agreeing to short term renewal options that will be acceptable to each party. The time provided through the short-term lease agreements with allow each of the existing tenants the opportunity to coordinate their relocation and assist in avoiding business disruption.

Price Reductions and Negotiation

In order to ensure the maximum value was achieved for the property, the listing was marketed on an unpriced basis with pricing guidance beginning at \$36,500,000. Given this guidance, the first offers received (Offer 1, Offer 2 and Offer 3 outlined above) were countered at \$30,000,000. In each case, the prospective purchaser chose not to engage further at that time.

In January 2025, after approximately four months on the market, our pricing guidance was reduced to \$32,700,000 to more closely reflect market value based on feedback received from interested parties over the course of the listing term.

In March 2025, after approximately six months on the market, our pricing guidance was further reduced to \$25,000,000. This reduction was only considered after significant, prolonged exposure and the receipt of multiple offers for the property in the high-teens and low-twenty-million-dollar range. Offer 4 referenced above, the Term Sheet received from the City of Coquitlam, was countered at \$25,000,000. The City indicated verbally that they would be unable to increase their price beyond \$18,500,000 at that time.

Competing Offers to Court

In preparation for the Court approval of the accepted offer from Dalla Zanna Properties Inc., Colliers will notify the parties who signed confidentiality agreements over the course of the marketing period as well as any other groups who expressed interest in the Property, advising of the opportunity to submit a competing offer at the court approval hearing.

We shall also update the Colliers website advising parties of the pending court approval date for an accepted offer and inviting interested parties to inquire about the process of submitting a competing offer for the Property.

In addition, contact information for both existing tenants will be provided to parties interested in submitting a competing offer to allow these groups to enter into discussions regarding renewal options.

Recommendation


It is our recommendation that the accepted offer from Dalla Zanna Properties Inc. be presented to the Court for approval at the purchase price of \$21,218,000.00. This offer has a strong structure, including a reasonable closing timeline and strong deposit that will provide the stakeholders with as much certainty as possible.

It is our expectation that additional parties may provide competing offers for consideration by the Court. Information about the court date and offering process has been provided to all relevant parties as referenced above.

Please feel free to contact us with any questions.

Sincerely,

Colliers



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Appendix "C"

**Contract of purchase and sale between the Receiver and 0706617 BC Ltd. dated
March 18, 2025 for the purchase of the Golden Property**

OFFER TO PURCHASE AND CONTRACT OF PURCHASE AND SALE AGREEMENT

145 Golden Drive, Coquitlam, British Columbia

THIS AGREEMENT dated for reference the ~~9th~~ day of December 2024 is made
March 18th, 2025

BETWEEN:

DS Initial
[Signature] [Initials]

DALLA ZANNA PROPERTIES INC.

c/o #1100 – 1067 West Cordova Street, Vancouver, BC, V6C 1C7

(the “**Purchaser**”)

OF THE FIRST PART

AND:

DELOITTE RESTRUCTURING INC., solely in its capacity as court appointed receiver of the Property (as defined below), and not in its personal or corporate capacity

(the “**Vendor**”)

OF THE SECOND PART

WHEREAS:

- A. On July 3, 2024, by order (the “**Conduct of Sale Order**”) of the Supreme Court of British Columbia (the “**Court**”) made in Supreme Court of British Columbia Action No. H240524, Vancouver Registry (the “**Proceedings**”), the Vendor the Receiver was appointed receiver of certain lands, assets, and property of, inter alia, 145 Golden Drive Ltd., which assets include the Property; and
- B. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Property (as defined below) on the terms and conditions set forth in this Offer to Purchase.

WITNESS as follows:

1. **INTERPRETATION**

1.1. **Definitions**

In this Offer to Purchase:

- 1.1.1. “**Buildings**” means the buildings and other improvements on the Lands including, without limitation, mechanical and electrical systems;
- 1.1.2. “**Business Day**” means any day that is not a Saturday, Sunday or statutory holiday in British Columbia;

1.1.3. **“Claims”** means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgements, costs, expenses, fines, disbursements, legal fees (on a substantial indemnity basis) and other professional fees and disbursements, interest, demands and actions of any kind or any nature whatsoever;

1.1.4. **“Closing”** has the meaning set out at Section 9.1;

~~One Hundred and Eighty (180)~~

1.1.5. **“Closing Date”** means ~~the day that is Sixty (60) days following waiver or satisfaction of the Vendor’s Condition, unless such date is not a Business Day, in which case the next Business Day; March 19, 2026.~~ ~~October 2, 2025~~ ~~July 30, 2025~~

1.1.6. **“Contaminants”** means, without limitation, asbestos, poly-chlorinated biphenyls and any substance or material which falls within the definition of “waste”, “special waste”, “hazardous chemicals”, “hazardous waste”, “dangerous goods”, “toxic substances”, any variation of such terms or any terms of similar import in the *Canadian Environmental Protection Act* (Canada), the *Environmental Management Act* (British Columbia), each as at the date hereof, or in any other applicable Environmental Laws;

1.1.7. **“Deposit”** collectively means the First Deposit and the Second Deposit;

1.1.8. **“Environmental Laws”** means any and all federal, provincial, municipal or other governmental or regulatory laws and rules in effect from time to time relating to the environment, occupational safety, health or transportation;

1.1.9. **“Execution Date”** means the date on which Vendor and the Purchaser have each executed and delivered this Offer to Purchase;

1.1.10. **“First Deposit”** has the meaning set out in Section 2.2.1;

1.1.11. **“GST”** means goods and services tax payable pursuant to the *Excise Tax Act* (Canada);

1.1.12. **“GST Certificate”** has the meaning set out in Section 10.5.2;

1.1.13. **“Lands”** means the lands and premises in Coquitlam, British Columbia, legally described in Part 1 of Schedule “A” attached hereto;

1.1.14. **“Land Title Office”** means the Lower Mainland Land Title Office;

1.1.15. **“Permitted Encumbrances”** means:

1.1.15.1. the notations and encumbrances set forth in Part 2 of Schedule “B” ~~A~~ attached hereto; and

1.1.15.2. any other leases, agreements, liens, charges or encumbrances expressly permitted in writing by the Purchaser;

1.1.16. **"Project Documents"** means, to the extent the same are in the Vendor's possession:

- 1.1.16.1. copies of plans, specifications, and surveys for and relating to the Property, including mechanical, architectural, electrical final design drawings and building specifications;
- 1.1.16.2. copies of any permits or warranties relating to the Property; and
- 1.1.16.3. copies of the most currently available property assessment and realty tax notices/statements, and utilities invoices for the Lands;

1.1.17. **"Property"** means the Lands and the Buildings; ~~Nineteen Million Five Hundred Twenty-Eight Thousand Dollars (\$19,528,000)~~
~~Twenty One Million Five Hundred Thousand (\$21,500,000.00)~~

1.1.18. **"Purchase Price"** means ~~Eighteen Million Six Hundred Twenty-Eight Thousand Dollars (\$18,628,000);~~ ~~Thirty Million Dollars (\$30,000,000.00)~~
~~Twenty Million Six Hundred Twenty-Eight Thousand Dollars (\$20,628,000)~~

1.1.19. **"Purchaser's Condition"** has the meaning set out in Section 8.1;

1.1.20. **"Purchaser's Condition Waiver Date"** means the date that is ~~Seventy Five (75)~~ ~~Forty five (45)~~ days after the Execution Date, unless such date is not a Business Day, in which case the next Business Day;

1.1.21. **"Purchaser's Solicitors"** means **TBD.**

1.1.22. **"Second Deposit"** has the meaning set out in Section 2.2.2;

1.1.23. **"Vendor's Condition"** has the meaning set out in Section 8.2;

1.1.24. **"Vendor's Condition Waiver Date"** means the date that is ~~twenty eight (28)~~ ~~sixty (60)~~ days after the Purchaser's Condition Waiver Date, unless such date is not a Business Day, in which case the next Business Day;

1.1.25. **"Vendor's Solicitors"** means Lawson Lundell LLP; and

1.1.26. **"Vesting Order"** means an order of the Court approving of this Offer to Purchase, vesting title to the Property in the Purchaser, discharging from title to the Lands any financial charges, liens and interests that are not Permitted Encumbrances hereunder.

1.2. Currency

All dollar amounts referred to are Canadian dollars.

1.3. Construction

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

1.4. **Governing Law**

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

2. **PURCHASE AND SALE**

2.1. **Offer to Purchase of Purchase and Sale**

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

2.2. **Payment of Purchase Price**

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

- 2.2.1. by way of a deposit of One Hundred Thousand Dollars (\$100,000) (the “**First Deposit**”) paid to the Vendor’s Solicitors, in trust, not later than three (3) Business Days after the Execution Date;
- 2.2.2. by way of a further deposit of One Million Dollars (\$1,000,000) (the “**Second Deposit**”) paid to the Vendor’s Solicitors, in trust, not later than three (3) Business Days after the waiver or satisfaction of the Purchaser’s Condition; and
- 2.2.3. the balance of the Purchase Price shall be paid to the Vendor’s Solicitors on the Closing Date by solicitor’s certified trust cheque, certified cheque, bank draft or wire and/or the Large Value Transfer System as required, drawn on one of the five largest Canadian chartered banks as provided in Article 9 of this Offer to Purchase.

2.3. **Deposit**

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

- 2.3.1. to the Vendor on account of the Purchase Price contemporaneously with the completion of the sale and purchase contemplated by this Offer to Purchase;
- 2.3.2. to the Purchaser, if the Purchaser is not required to complete the purchase contemplated by this Offer to Purchase, on the date this Offer to Purchase becomes null and void (including under Section 8.3.1 and Section 8.3.3) or on the Purchaser’s election not to complete;
- 2.3.3. to the Vendor if the purchase and sale contemplated by this Offer to Purchase is not completed by reason of the Purchaser's default as liquidated damages to the

Vendor, without prejudice to any other remedy the Vendor may have at law or equity; and

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

2.3.4.1. the monies in dispute shall be disbursed only in accordance with a joint written direction of the Vendor and the Purchaser, failing which such monies in dispute shall be held pending final judgment or order of a Court of competent jurisdiction, which judgment is not appealed in the time limited for appeal, and shall be paid in accordance with such judgment; or

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

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

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

2.4. **Allocation of Purchase Price**

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

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

transactions contemplated by this Offer to Purchase to be properly, timely and consistently reported.

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

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

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

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

3. **DOCUMENTS AND INSPECTION**

3.1. **Project Documents**

The Vendor covenants that within five (5) days of the Execution Date the Vendor shall deliver or make available to the Purchaser copies of the Project Documents. If this Offer to Purchase becomes null and void (including under Section 8.3.1), the Purchaser shall thereupon return or destroy all Project Documents and all other material in its possession without retaining any copies thereof.

3.2. **Inspection**

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

4. **GENERAL COVENANTS**

4.1. **Covenants of Purchaser**

The Purchaser will notify the Vendor in writing as soon the Purchaser concludes, if it does so, that the Purchaser's Condition in Section 8.1 will not be fulfilled or waived and such notice shall be deemed to be an election by the Purchaser not to complete where the Purchaser is not required to complete.

5. **ADJUSTMENTS AND RELATED MATTERS**

5.1. **Adjustments**

On the Closing Date, the Purchaser and Vendor will adjust for property taxes, utilities, rents, security deposits, operating expenses, and other items normally adjusted between a vendor and purchaser in the sale of similar properties.

6. **POSSESSION**

6.1. **Possession Date**

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

7. **REPRESENTATIONS AND WARRANTIES**

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

The Vendor hereby represents and warrants to the Purchaser, that the Vendor has, or will have after obtaining the court approval referred to in Section 8.2, all necessary authority to execute and deliver this Agreement and all other documents and instruments contemplated herein or therein to which it is or will be party and to perform its obligations hereunder and thereunder.

7.2. **As Is Where Is**

The Purchaser acknowledges, covenants and agrees that:

- 7.2.1. except as expressly set forth herein, it is purchasing the Property on a strictly “as is, where is” basis;
- 7.2.2. the Vendor is not the owner of the Property and is making no representations or warranties whatsoever with respect to the Property;
- 7.2.3. it enters into this Offer to Purchase relying solely on its own inspections, it has not relied on any documents or information provided by the Vendor or any representation or warranty given by or on behalf of the Vendor concerning the Property except as otherwise expressly set out herein and it is the obligation of the Purchaser to satisfy itself (at the Purchaser's sole cost and expense) on all matters relating to or affecting the Property, including the following:
 - 7.2.3.1. the latent or patent defects, state of repair or condition of the Property, environmental, soils, surface and ground water, physical or otherwise, including the presence or absence of Contaminants on, in, under or about the Property or any surrounding or neighbouring property;
 - 7.2.3.2. the development potential or the fitness of the Property for the intended use of it by the Purchaser;
 - 7.2.3.3. the general condition and state of any improvements, equipment, utilities or other facilities or systems in, on, under or servicing the Property;

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

fulfilled, and in so doing is not contractually or otherwise liable to the Buyer or any other party in any way;

7.2.10. the assets to be purchased under this Agreement not include any personal property or chattels, and that any personal property or chattels remaining in the premises on the Property which are taken by the Buyer, are taken at their own risk and expense, without representation or warranty of any kind from the Vendor as to the ownership or state of repair of any such personal property or chattels;

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

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

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

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

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

7.3.2. the execution and delivery of this Offer to Purchase does not conflict with any other agreement binding on the Purchaser and has been and the completion of this Offer to Purchase will have been by the Closing Date duly authorized by all necessary corporate action on the part of the Purchaser;

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

7.3.4. the Purchaser acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Offer to Purchase and such prospective purchasers may make competing offers which may be approved by the Court. The Vendor may be compelled to advocate in favour of other offers in order to obtain the highest price for the Property. The Vendor gives no undertaking to advocate the acceptance of this Offer to Purchase. To protect their interests in purchasing the Property, the Purchaser acknowledges and agrees that they should attend at the Court hearing in person or by agent and be prepared there to make such amended or increased offer to purchase the Property as the Court may permit or direct.

8. **CONDITIONS PRECEDENT**

8.1. **Purchaser's Conditions**

The Purchaser's obligation to complete the transactions contemplated by this Offer to Purchase is subject to the following conditions (which are for the sole benefit of the Purchaser) that on or before 5.00 p.m. Vancouver time on the Purchaser's Condition Waiver Date:

- (a) The Purchaser reviewing and approving of the Project Documents, in the sole discretion of the Purchaser;
- (b) The Purchaser reviewing and approving an environmental assessment of the Property, in the sole discretion of the Purchaser;
- (c) The Purchaser securing financing to the Purchaser's sole satisfaction; and
- (d) The Purchaser inspecting and being satisfied with the Lands to the Purchaser's sole satisfaction.

(collectively, the "**Purchaser's Conditions**").

8.2. **Vendor's Condition**

The Vendor's obligation to complete the transactions contemplated by this Offer to Purchase is subject to the Vendor receiving the Vesting Order, on or before 5.00 p.m. Vancouver time on the Vendor's Condition Waiver Date. This condition is for the sole benefit of the Vendor. Notwithstanding the foregoing, the Vendor may, in its sole discretion and on written notice to the Purchaser, extend the Vendor's Condition Waiver Date by up to twenty-one (21) days.

8.3. **Satisfaction and Waiver**

The parties agree that if:

- 8.3.1. the Purchaser does not give written notice to the Vendor by the applicable time limited in Section 8.1 that the Purchaser's Condition is fulfilled or waived then this Offer to Purchase shall automatically be null and void upon the expiry of the applicable time;
- 8.3.2. the Purchaser elects under Section 4.1 or Section 8.1 not to complete, then neither party shall have any further rights or obligation under this Offer to Purchase, except under Sections 2.3, 3.1 and 3.2; and
- 8.3.3. the Vendor does not give written notice to the Purchaser by the applicable time limited in Section 8.2 that the Vendor's Condition is fulfilled or waived then this Offer to Purchase shall automatically be null and void upon the expiry of the applicable time.

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

The Purchaser and the Vendor have each paid the other the sum of \$10.00 as consideration for their respective rights to remove or waive the conditions set forth in this Article 8 and the parties

acknowledge the receipt and sufficiency in all respects of such consideration and the parties acknowledge and agree that although their obligations to complete the sale and purchase contemplated by this Offer to Purchase are subject to fulfilment or waiver of such conditions:

- 8.4.1. the Purchaser's Conditions and the Vendor's Condition are not conditions to there being a binding agreement of purchase and sale between the parties respecting the Property; and
- 8.4.2. until the time limited for the fulfilment or waiver of the Purchaser's Condition or the Vendor's Condition (as applicable) has expired, this Offer to Purchase is not void, voidable, revocable or, except in the case of default, otherwise capable of being terminated by either of the parties.

8.5. **Appeal of Vesting Order**

The Purchaser shall support the application for the Vesting Order and any appeal thereof. In the event any variation is sought or leave to appeal is sought, an appeal is taken or a stay pending appeal is requested with respect to the Vesting Order, the Vendor shall promptly notify the Purchaser of such application for leave to appeal, appeal or stay request and shall promptly provide to the Purchaser a copy of the related notice(s) or order(s). Notwithstanding any such appeal or application for leave to appeal, the parties will complete the transactions contemplated herein on the Closing Date without regard to any appeal or application for leave to appeal to vary or set aside the Vesting Order, unless the Vesting Order has been stayed by further Court order. In the event the Court issues a stay in respect of the Vesting Order, the Closing Date shall be automatically extended by sixty (60) days, and the parties will use commercially reasonable efforts to obtain a further order of the Court approving the transactions contemplated herein, and, following issuance of such order, will complete the transactions contemplated herein as soon as reasonably possible thereafter. In the event that such Court order is not obtained within sixty (60) days of the aforementioned stay, the Purchaser may, on written notice to the Vendor, terminate this Agreement, and the Deposit will be returned to the Purchaser, and the parties will have no further obligations to each other hereunder.

9. **CLOSING**

9.1. **Closing**

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

9.2. **Vendor's Closing Documents**

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

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

- 9.2.2. a letter from legal counsel to the Vendor to the Land Title Survey Authority or other agency as may be required by the Vesting Order;
- 9.2.3. a statement of adjustments approved by the Vendor;
- 9.2.4. if applicable, either:
 - 9.2.4.1. registrable releases of any liens, charges and encumbrances against all or any part of the Property other than Permitted Encumbrances; or
 - 9.2.4.2. solicitor's undertakings in favour of the Purchaser's Solicitors and satisfactory to the Vendor's Solicitors and the Purchaser's Solicitors, each acting reasonably, providing for delivery and registration of such releases after completion upon receipt of the adjusted Purchase Price due to the Vendor on the Closing Date;
- 9.2.5. all keys and master keys to all units and facilities of the Property in the Vendor's possession;
- 9.2.6. such other documents as the Vendor's Solicitors may reasonably require to document the sale and purchase contemplated herein.

9.3. **Purchaser's Closing Documents**

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

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

9.4. **Form of Documents**

All documents referred to in Sections 9.2 and 9.3 and not scheduled to this Offer to Purchase shall be prepared by the Purchaser's Solicitors (and delivered to the Vendor's Solicitors for review no later than five (5) Business Days prior to the Closing Date) and shall be in form and substance approved by the Purchaser's Solicitors and the Vendor's Solicitors, each acting reasonably. Certificates of officers of parties shall be on behalf of the party and not personally.

9.5. **Closing Escrow**

All documents, funds and cheques or bank drafts delivered by the Purchaser and the Vendor, except the documents referred to in paragraph 9.2.1 and 9.2.2, and any releases delivered pursuant to paragraph 9.2.4.1 shall be held in trust by the Purchaser's Solicitors in the Purchaser's Solicitor's offices until the documents referred to in paragraph 9.2.1 and 9.2.2, and any releases delivered pursuant to paragraph 9.2.4.1 have been accepted for registration in the Land Title Office and a satisfactory post index check search has been received showing that title to the Lands will be registered in the name of the Purchaser subject only to the Permitted Encumbrances and any encumbrances granted by or claimed through the Purchaser at which time all documents and monies will be released to the appropriate parties.

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

9.6. **Purchaser's Financing**

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

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

9.7. **Vendor's Financing**

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

10. **GENERAL**

10.1. **Further Assurances**

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

10.2. **No Merger**

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

10.3. **Entire Offer to Purchase**

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

10.4. **Notices**

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

To the Vendor:

DELOITTE RESTRUCTURING INC.

410 West Georgia Street
Vancouver, B.C. V6B 0S7
Attention: Jeff Keeble
Email: jkeeble@deloitte.ca

With a copy to:

Lawson Lundell LLP
1600-925 West Georgia Street
Vancouver, B.C. V6C 3L2
Attention: Bryan Gibbons and Nicholas Shon
Email: bgibbons@lawsonlundell.com and nshon@lawsonlundell.com

To the Purchaser:

DALLA ZANNA PROPERTIES INC.
Attention: c/o Todd Scarlett PREC
Email: todd.scarlett@colliers.com

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

10.5. **Fees and Taxes**

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

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

- 10.5.2.1. to pay any federal, provincial or other taxes payable by the Purchaser in connection with the conveyance or transfer of the Property whether arising from a reassessment or otherwise, including GST, and provincial retail sales tax, if applicable; and/or
- 10.5.2.2. to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Property.

10.6. **Time**

Time shall be of the essence of this Offer to Purchase, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors who are hereby expressly appointed in this regard.

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

10.7. **Tender**

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

10.8. **Enurement**

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

10.9. **Assignment**

The parties hereto expressly acknowledge and agree that the rights of the Purchaser under this Offer to Purchase may not be assigned without the prior written consent of the Vendor.

10.10. **Counterparts**

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

10.11. **Execution Electronically**

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

10.12. **Confidentiality**

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

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

11. **SCHEDULES**

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

Schedule “A” – Legal Description and Permitted Encumbrances

[the next page is the signature page]

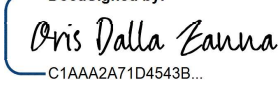
Initial ~~DS~~ ~~March 19th, 2025~~ ~~March 21, 2025~~ ~~DS~~ ~~Initial~~ ~~DS~~ ~~Initial~~
~~23rd~~ ~~March 27th, 2025~~ ~~18~~ ~~January 16th, 2025~~ ~~DS~~ ~~Initial~~ ~~DS~~ ~~Initial~~
~~20th day of December 2024~~ ~~March 24, 2025~~ ~~5:00~~ ~~DS~~ ~~Initial~~

This Offer to Purchase is irrevocable and is open for acceptance by the Vendor up to ~~2:00~~ p.m. (Vancouver time) on the ~~13th~~ day of ~~December 2024~~ and, upon acceptance by the Vendor, will constitute a binding agreement for the purchase and sale of the Property on the terms and conditions contained herein. In the event that this Offer to Purchase is not accepted by the Vendor on or before the aforesaid time and date, then this Offer to Purchase shall be null and void.

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

PURCHASER

DALLA ZANNA PROPERTIES INC.

DocuSigned by:

 Per: _____
 Authorized Signatory

This Offer to Purchase is accepted by the Vendor this 19 day of ~~December 2024~~ ~~March 2025~~ ~~Initial~~ ~~DS~~

VENDOR

DELOITTE RESTRUCTURING INC.,
 solely in its capacity as court appointed receiver
 of the Property, and not in its personal or
 corporate capacity

DocuSigned by:

 Per: _____
 Authorized Signatory

SCHEDULE “A”

PART 1 - LEGAL DESCRIPTION OF THE PROPERTY

PID: 023-895-128, Lot 3 District Lot 67 Group 1 New Westminster District Plan LMP35071

(the “**Property**”)

PART 2 - PERMITTED ENCUMBRANCES

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

Legal Notations

Hereto Is Annexed Easement BL335521 Over Part (Plan LMP35072) Lot 2 Plan LMP35072

Notice of Interest, Builders Lien Act (S.3(2)), See CA1397328 Filed 2009-12-18 Cancelled by CA2483035 2012-04-12

Charges, Liens and Interests:

Statutory Right of Way 355917C, as extended by L76078 and Assigned by AB203671

Statutory Building Scheme S60298, as modified by U30019

Covenant S89438

Statutory Right of Way AB203671

Covenant BL335515

Restrictive Covenant CA1352064

VACANT POSSESSION

Appendix "D"

Assignment of interest in contract of purchase and sale dated April 8, 2025

ASSIGNMENT OF INTEREST IN CONTRACT OF PURCHASE AND SALE

THIS ASSIGNMENT made April 8th, 2025

BETWEEN:

DALLA ZANNA PROPERTIES INC.

(hereinafter called "the Assignor")

AND:

0706617 B.C. LTD.

(hereinafter called "The Assignee")

Whereas

A. Pursuant to a Contract of Purchase and Sale dated March 18th, 2025 and any addendums thereto (collectively, the "Purchase Agreement") made between Deloitte Restructuring Inc. (the "Vendor") and the Assignor as Purchaser, a copy of which is attached to this assignment as Schedule "A1", the Vendor agreed to sell and the Assignor agreed to purchase certain lands and premises situated at 145 Golden Drive, Coquitlam, BC. more particularly described in Schedule "A" of the Purchase Agreement (the "Property").

B. The Assignor has agreed to assign all of their right, title and interest in and to the Purchase Agreement and the Property to the Assignee and the Assignee has agreed to accept such assignment on the terms and conditions set out in this Assignment.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and the sum of one dollar (\$1.00) paid by the Assignee to the Assignor, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Assignment

The Assignor absolutely assigns, transfers and sets over to the Assignee all of their right, title, benefit and interest in, to and under the Purchase Agreement, including any deposit(s) paid by the Assignor to the Vendor (the "Deposit").

Notwithstanding this assignment, the Assignor confirms that it remains bound by its obligations under the Purchase Agreement.

2. Covenants by Assignee

The Assignee agrees to:

(a) perform and observe all covenants, conditions and obligations of the Assignor under the Purchase Contract; and (b) indemnify and save harmless the Assignor from any and all liabilities of every nature and kind with respect to any breach or non-observance of the covenants, conditions and obligations under the Purchase Agreement.

3. Representations and Warranties

(a) the copy of the Purchase Agreement and Addendums attached as Schedule "A" constitutes the entire agreement between the Vendor and the Assignor with respect to the Property and has not been modified or amended in any way;

(b) the First Deposit of \$100,000 has been duly paid as provided for in the Purchase Agreement;

(c) the Purchase Agreement is valid and subsisting;

(d) the Assignor has not previously assigned or otherwise transferred any of their rights under the Purchase Agreement.

(e) the Assignor has full power and authority to assign the Purchase Agreement to the Assignee in accordance with the terms of this Assignment; and

(f) the Assignor is not in breach of their obligations under the Purchase Agreement.

Initial
JL

- 2 -

4. The Assignor and the Assignee shall execute and deliver, at the request of the other, all such further documents and instruments and shall do all things that are necessary to give full effect to the intent and meaning of this Assignment.

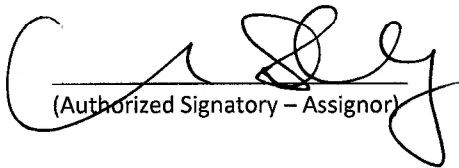
5. This Assignment inures to the benefit of and is binding upon the Assignor and the Assignee and their respective heirs, successors, administrators and assigns:

6. Time shall be of the essence of this Assignment.

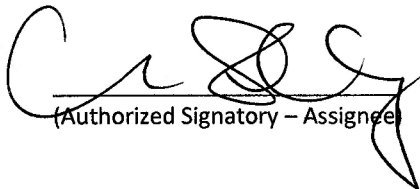
IN WITNESS WHEREOF this Agreement has been executed by the parties hereto effective as of the year and date first above written.

Dated this APRIL 8, 2025

DALLA ZANNA PROPERTIES INC.


(Authorized Signatory – Assignor)

0706617 B.C. LTD.


(Authorized Signatory – Assignee)

ACKNOWLEDGMENT

The Vendor consents and agrees to this Assignment and acknowledges and agrees that neither this Assignment, nor the payment of any money or performance of any of the Assignor's covenants by the Assignee, shall waive or modify in any respect the rights of the Assignor under the Purchase Agreement or relieve the Vendor from performing any of its obligations under the Purchase Agreement.

Dated this 4/15/2025 | 1:32 PM EDT

DELOITTE RESTRUCTURING LTD.

DocuSigned by:

F8A33E323177461...
(Authorized Signatory – Vendor)

Appendix "E"

Conditions waiver dated April 24, 2025

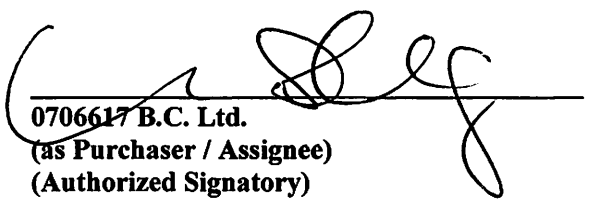
This Addendum dated for reference April 24th, 2025, shall be attached to and form part of the Offer to Purchase and Contract of Purchase and Sale dated the 18th day of March, 2025, (the "Offer") together with Assignment of Interest In Contract of Purchase and Sale dated the 8th day of April, 2025 between **0706617 B.C. Ltd. (as "Purchaser" / "Assignee")** and **Deloitte Restructuring Inc. (as "Vendor")**.

Address: **145 Golden Drive, Coquitlam, BC**

In consideration of the amount of \$1.00 now paid by each party to the other and other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

1. The Purchaser hereby agrees to waive the Purchaser's Conditions Precedent as noted in Clause 8.1 of the above referenced Offer.

ALL OTHER TERMS AND CONDITIONS TO REMAIN IN FULL FORCE AND EFFECT AND TIME SHALL CONTINUE TO BE OF THE ESSENCE.



0706617 B.C. Ltd.
(as Purchaser / Assignee)
(Authorized Signatory)

April 23, 2025

Date