



No. VIC-S-H-247963
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF
1270858 B.C. LTD.

SECOND REPORT TO COURT
MCEOWN AND ASSOCIATES LTD.

SEPTEMBER 2, 2025

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A. INTRODUCTION AND PURPOSE

1. Pursuant to the Receivership Order made in these proceedings on November 8, 2024 (the “Receivership Order”), McEown and Associates Ltd. was appointed as receiver and manager (in such capacity, the “Receiver”), without security, of all the assets, undertakings and property (the “Property”) of 1270858 B.C. Ltd. (the “Company”).
2. As of the date of the receivership, the Company was in the process of building and marketing a 37-unit residential strata development located at 244 Island Highway, Victoria, BC (the “Project”). The Company has no significant assets apart from the Project.
3. The Receiver determined that the value realized from the Property would be maximized by completing construction of the Project prior to any sale. Under the management of the Receiver, construction of the Project was completed on or about June 23, 2025. The Town of View Royal issued an Occupancy Permit for the Project on June 24, 2025.
4. The Project’s architect issued a Notice of Certificate of Substantial Completion on July 3, 2025, a copy of which is attached and marked **Appendix “A”**.
5. On July 15, 2025, the Court approved a Sale Process for the Property. As described in greater detail below, the Receiver has now concluded the Sale Process, including an auction, and accepted an offer for the Property subject to Court approval.
6. The purpose of this report is to:
 - a. provide the Court and the parties with an update on the results of the Sales Process conducted by the Receiver;

- b. request the Court's approval of a Contract of Purchase and Sale for the Project between the Receiver and His Majesty the King in Right of Canada as represented by the Minister of National Defence, by way of an Asset Vesting Order;
- c. request that the Receiver be authorized to pay real estate commission of \$408,975 (plus applicable GST) to AY Victoria Realty Ltd.; and
- d. request that the Receiver be authorized to make an interim distribution of \$22,000,000 to the Company's senior secured creditor, BJK Holdings Ltd. ("BJK Holdings").

B. DISCLAIMER AND TERMS OF REFERENCE

- 7. Except as specified, in preparing this report the Receiver has obtained and relied upon unaudited, draft and/or internal information provided by the Company and its directors who advise that they have been compiled from the Company's books and records. Where available, the Receiver has reviewed external records and documentation including post-filing banking records, corporate searches and financial statements.
- 8. Except as otherwise described in this report:
 - a. the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information which has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook;
 - b. the Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook; and

- c. this Report has been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.

C. SALE PROCESS ORDER AND STALKING HORSE AGREEMENT

- 9. On July 15, 2025, the Honourable Justice Veenstra made an Order in these proceedings (the “Sale Process Order”) which, among other things:
 - a. authorized the execution by the Receiver of a stalking horse bid for the Project (the “Stalking Horse Agreement”); and
 - b. approved a sale process whereby the Receiver would market the Property and solicit competing offers for the Property (the “Sale Process”).
- 10. A copy of the Sale Process Order is attached and marked **Appendix “B”**.
- 11. The material terms of the Stalking Horse Agreement entered into by the Receiver include:
 - a. the purchaser is 5450 Realty Inc. (the “Stalking Horse Bidder”), a related party to BJK Holdings;
 - b. the purchase price is \$18,500,000, to be paid by way of a combination of credit bid of BJK Holdings’ secured debt and cash required to complete the receivership;
 - c. a break fee of \$200,000;
 - d. the Receiver will cancel the outstanding shares and re-issue shares in the Company to 5450 Realty Inc.; and
 - e. the transaction contemplated by the agreement is subject to Court approval by way of a Reverse Vesting Order pursuant to which the

Company will continue to hold all of its right, title and interest to the Project, and all claims and encumbrances against the Company, including all claims and encumbrances against the Project are vested in a new entity incorporated for that purpose.

12. In general terms, the Sale Process provides that:

- a. the Receiver or its real estate agent will market the Project and solicit offers to compete with the Stalking Horse Agreement until 10:00 a.m. PST on August 15, 2025 (the “Bid Deadline”);
- b. to be considered by the Receiver as a “Qualified Bid”, the aggregate consideration in a competing offer must exceed the purchase price in the Stalking Horse Agreement by at least \$100,000, after payment of the break fee, real estate commission, and all other closing costs in respect to the proposed transaction (among other requirements);
- c. if no Qualified Bid was submitted by the Bid Deadline, the Sale Process would terminate and the Receiver would as soon as reasonably practicable apply for approval of the sale by way of a Reverse Vesting Order, and consummate the Stalking Horse Agreement;
- d. if one or more Qualified Bids were submitted (other than the Stalking Horse Agreement), then the Receiver would run an auction for the Project including the Stalking Horse Bidder and any other Qualified Bidders (the “Auction”); and
- e. if the auction was held, the Receiver would, as soon as reasonably practicable, apply for Court for approval of and consummate the successful bid.

D. MARKETING ACTIVITIES

13. On July 16, 2025, the Receiver entered into a listing agreement (the “Listing Agreement”) with AY Victoria Realty Ltd. (“Avison Young”) to list and market the Project. A copy of the Listing Agreement with Avison Young is attached and marked **Appendix “C”**.
14. Avison Young has undertaken the following marketing activities:
 - a. listing the Project publicly on its website on July 16, 2025, which has generated 396 page views;
 - b. listing the Project publicly on Realtor.ca through the Victoria Real estate Board and the Vancouver Island Real Estate Board on July 16, 2025, resulting in 376 agent views;
 - c. preparing a marketing brochure;
 - d. installing signage on site at the Project;
 - e. organizing information and preparing a virtual data room, which was shared with 14 individuals on behalf of 5 buyer groups;
 - f. conducting an email marketing campaign to 287 Avison Young subscribers;
 - g. conducting targeted email marketing to not-for-profit housing groups;
 - h. conducting 3 tours of the Project; and
 - i. fielding phone calls and emails from approximately 40 interested parties.
15. A marketing summary report prepared by Avison Young with respect to the Project is attached and marked **Appendix “D”**.

E. QUALIFIED BID RECEIVED

16. Prior to the Bid Deadline, His Majesty the King in Right of Canada as represented by the Minister of National Defence (the “DND”) delivered an offer to the Receiver to purchase the Project for a purchase price of \$21,000,000, by way of an asset purchase agreement (the “DND Offer”).
17. On August 15, 2025, prior to the Bid Deadline, the DND paid a deposit of \$1,050,000 to the Receiver’s counsel pursuant to the DND Offer.
18. The Receiver determined that the DND Offer was a Qualified Bid pursuant to the Sale Process.
19. The Receiver did not receive any other Qualified Bids apart from the DND Offer.

F. THE AUCTION

20. On August 15, 2025, counsel for the Receiver wrote to counsel for the DND and the Stalking Horse Bidder to advise that:
 - a. the Receiver had received two Qualified Bids for the Project pursuant to the Sale Process, being the Stalking Horse Agreement and the DND Offer;
 - b. the Receiver would be conducting the Auction for the Project on August 20, 2025;
 - c. the Receiver had determined that the DND Offer was the highest offer and therefore would be the Starting Bid for the Auction; and
 - d. the Receiver had exercised its discretion under paragraph 22 of the Sale Process Order to allow improved bids at the Auction in the form of either the Stalking Horse Agreement or the DND Offer.
21. A copy of the correspondence sent by the Receiver’s counsel on August 15, 2025 is attached and marked **Appendix “E”**.

22. On August 19, 2025, counsel for the Receiver wrote to counsel for the DND and the Stalking Horse Bidder to provide:
 - a. an Auction Agenda setting out certain procedural information regarding the conduct of the Auction; and
 - b. draft Amending Agreements to the Stalking Horse Agreement and the DND Offer in a form acceptable to the Receiver, to facilitate the submission of bids at the Auction.
23. A copy of the correspondence sent by the Receiver's counsel on August 19, 2025 and a copy of the Auction Agenda is attached and marked **Appendix "F"**.
24. On August 20, 2025, the Receiver conducted the Auction in accordance with the Sale Process and the procedural rules set out in the Auction Agenda, with such minor amendments to procedure as the Receiver deemed fair and reasonable in the circumstances.
25. During the Auction the Qualified Bidders made a total of eight improved offers for the Project (four from the Stalking Horse Bidder and four from the DND).
26. The final and best offer at the Auction was made by the DND, for a purchase price of \$23,370,000. The Stalking Horse Bidder formally advised that it did not wish to submit a further offer, therefore the Receiver advised the parties that the DND was the successful bidder and concluded the Auction.

G. SALE AGREEMENT

27. On August 21, 2025, the Receiver formally accepted the DND Offer, together with an amending agreement increasing the purchase price to \$23,370,000 (the "DND Sale Agreement"), subject to Court approval.
28. The DND Sale Agreement is for an asset purchase of the Project, whereas the Stalking Horse Agreement contemplated a share sale of the Company by way of Reverse Vesting Order.

29. A copy of the fully executed DND Sale Agreement is attached and marked **Appendix “G”**.
30. Other material terms of the DND Sale Agreement include:
- a. the agreement is subject to Court approval within thirty (30) days of acceptance;
 - b. the sale will be completed within 20 business days following the Court’s approval of the agreement and the transactions contemplated therein; and
 - c. the seller is to provide clear title in accordance with a Vesting Order of the Court.

H. REAL ESTATE COMMISSION

31. Paragraph 2(d) of the Receivership Order authorizes the Receiver to engage consultants, agents, experts and such other persons to assist with the Receiver’s powers and duties.
32. The Receiver retained Avison Young, a reputable national real estate firm to market the Project to effect the highest possible realization from the Project.
33. The Listing Agreement provides that:
- a. the commission payable to the listing agent upon a sale of the Project will be an amount equal to 1.75% of the purchase price (with 0.75% to be shared with the buyer's realtor, if applicable);
 - b. if the Project is acquired by the Stalking Horse Bidder or by a party related to the Company, the commission payable to the listing agent shall be reduced to \$20,000 plus applicable GST,
- in any event subject to Court approval.

34. As a result of Avison Young's marketing efforts the Stocking Horse Agreement was improved by approximately \$4.9 million.
35. The Receiver requests that it be authorized to pay real estate commission of \$408,975 (plus applicable GST) to Avison Young pursuant to the Listing Agreement.

I. OTHER CHARGES ON TITLE

36. The following following sets out the holders of charges registered against the Project in the Victoria Land Title Office on the following dates under the following numbers, which charges were registered after BJK Holdings' mortgage against the Property:

Charge Holder	Charge	Registration Date	Registration Number
ADDY (815 & 824 SELKIRK AVE.) CORP. TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP	Certificate of Pending Litigation	April 18, 2024	CB1267832
COBRAFER CONSTRUCTION LTD.	Claim of Builders Lien	May 9, 2024	CB1305343
6 MILE ISLAND CONTRACTING LTD.	Claim of Builders Lien	May 15, 2024	BB3100841
FACTUM CORP.	Certificate of Pending Litigation	May 24, 2024	CB1331891
SIMCO DRYWALL LTD.	Claim of Builders Lien	December 17, 2024	WX2194448

Builders Liens

37. The amounts set out in the Claims of Builders Lien are:

Cobrafer Construction Ltd.	\$108,671.20
6 Mile Island Contracting Ltd.	\$108,018.75
Simco Drywall Ltd.	\$61,171.19
Total:	\$277,861.14

38. Attached and marked as **Appendix “H”** is a copy of the Land Title Office search for the Project dated August 21, 2025.
39. The Receiver will provide notice of the application to approve the Sale Agreement to all parties with charges registered on title to the Project.
40. The Receiver is not aware of any other unpaid or potential unpaid trade contractors for the Project, apart from the above-reference builders lien claimants.

CPLs

41. The Notice of Civil Claim of Factum Corp. (“Factum”) underlying its CPL alleges that Factum invested funds in a limited partnership controlled by the TLA Group of Holdings Companies Inc. (“TLA Group”), for the purpose of developing a different property in Esquimalt, BC (the “Sterling Project”). Factum alleges that its funds were misappropriated and diverted in order to construct the Project.
42. The Notice of Civil Claim of Addy (815 & 824 Selkirk Ave.) Corp. (“Addy”) and Tri-Sterling Developments Limited Partnership (“Tri-Sterling”) underlying their CPL also relates to the Sterling Project. Addy and Tri-Sterling allege that investment funds which were intended to be invested in the Sterling Project were misappropriated and diverted to acquire, preserve, improve and maintain the Project, among other allegations.
43. The CPL holders are respondents in these proceedings, and are on the Service List. The CPL holders were served with the application materials related to the

Receivership Order and the Sale Process Order, but have not filed any response materials.

J. DELAY CLAIM

44. The Receiver is aware of a delay claim by Compass Electric (the electrical trade contractor on the Project) given to the construction manager, Blackcrete Builders Inc. on or about May 2, 2025.

45. The Receiver has reviewed the delay claim and understands that it relates to alleged delays on the Project related to framing and drywalling, resulting in alleged increases to Compass Electric's labour, overhead, and equipment expenses.

46. Compass Electric has quantified its damages for the delay claim (as of May 2025) as follows:

Labour:	\$172,788
Overhead:	\$46,702
Tools and equipment:	\$36,963
Total:	\$256,453

47. The Receiver understands that most or all of the delay claim relates to alleged delays which occurred prior to the date of Receivership.

48. Counsel for the Receiver has contacted counsel for Compass Electric to seek clarification regarding:

- a. the nature/timing of Compass Electric's delay claim;
- b. the quantum of the claim; and
- c. what, if any, priority it is asserting against the Company / Property.

49. The Receiver will provide a further report of any additional information obtained regarding Compass Electric's delay claim.

50. As of August 21, 2025, Compass Electric has not registered a claim of builders lien on title to the Project. The Receiver will provide notice of the sale approval application to counsel for Compass Electric.

K. PROPOSED INTERIM DISTRIBUTION

51. The Receiver anticipates that it will recover net sale proceeds of approximately \$22,950,000, after real estate commission.
52. Based on the Receiver's review of the claims presently known to it and the security registrations against the Company's property, the Receiver is of the opinion that BJK Holdings is the senior secured creditor of the Company.
53. Subject to Court approval, the Receiver intends to make an interim distribution to BJK Holdings in the amount of \$22 million (the "Proposed Interim Distribution"). The Receiver is of the view that the Proposed Interim Distribution is appropriate at this time because:
- a. BJK Holdings has funded the receivership through Receiver's Borrowing Certificates in the amount of \$4,937,541, which is secured by the Receiver's Borrowing Charge against the Property;
 - a. the Company's indebtedness to BJK Holdings is secured by a first mortgage registered on title to the Project; and
 - b. the Receiver will hold back approximately \$950,000 from the sale proceeds to fund carrying costs, professional fees, potential priority builders lien claims and the delay claim, and other contingencies until the receivership is terminated.

L. PRE-SALE CONTRACTS

54. The Sale Process Order authorized the Receiver to disclaim any or all of the remaining pre-sale contracts for the Project (the "Pre-Sale Contracts"), on notice to the affected parties.

55. The Receiver elected to disclaim all of the Pre-Sale Contracts and provided written notice to the Pre-Sale Contract counterparties.
56. As described in the Receiver's First Report to Court, some of the deposits for the Pre-Sale Contracts were being held in trust with Fasken pursuant to an escrow agreement, and other deposits were held in trust with the Company's former solicitors, Reed Pope Law Corporation.
57. The Receiver has coordinated with Fasken and Reed Pope to arrange for the return of the Pre-Sale Contract deposits to purchaser. The Receiver is advised by Reed Pope and Fasken that all but one of the deposits have now been returned to the purchasers.
58. On August 28, 2025, the Receiver provided Fasken and Reed Pope with the documentation required to release the final remaining deposit, and anticipates the return of that deposit will be processed soon.

M. OPINION AND RECOMMENDATIONS

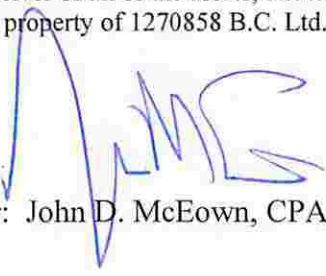
59. In the Receiver's opinion:
 - a. the sale process for the Project which resulted in the Sale Agreement was conducted in accordance with the Sale Process Order, efficient, and fair to all interested parties;
 - b. Avison Young has adequately exposed the Project to the market and potential purchasers who are capable of purchasing the Project;
 - c. the Sale Agreement represents fair market value for the Project; and
 - d. it is in the best interests of the Company's stakeholders to make the Proposed Interim Distribution from the proceeds of the sale of the Project.
60. Based upon the foregoing, the Receiver respectfully recommends and requests that the Court:

- a. approve the actions and activities to date of McEown & Associates Ltd. as Receiver of the Company;
- b. approve the DND Sale Agreement;
- c. authorize and direct the Receiver to pay real estate commission to Avison Young pursuant to the Listing Agreement; and
- d. approve the Proposed Interim Distribution in the amount of \$22 million.

DATED at the City of Vancouver, British Columbia, this 2nd day of September 2025.

McEown and Associates Ltd.

Receiver of all of the assets, undertakings
and property of 1270858 B.C. Ltd.



Per: John D. McEown, CPA, CA, CIRP, LIT

Appendix "A"

alan  architect inc.

BUILDERS' LIEN ACT SECTION 7 (4-10)

NOTICE OF CERTIFICATE OF SUBSTANTIAL COMPLETION FOR CONTRACT WITH BLACKRETE BUILDERS INC.

**RE: SKYVIEW RESIDENTIAL DEVELOPMENT
242-244 ISLAND HIGHWAY,
VICTORIA, B.C.**

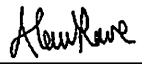
Take notice that on June 23rd, 2025, the project was deemed substantially complete.

This is in connection with an improvement on land described as follows:

**Skyview Residential Development, 242-244 Island Highway, Victoria, B.C.
Remainder Lot 34 & 35, Section 3
Esquimalt District, Plan 3738
Except Parts In Plans EPP8968 And EPP9053**

For Contract between:
**Blackrete Builders Inc.
201-3795 Carey Rd.
Victoria, BC**
and
**1270858 B.C. Ltd.
210-10464 Mayfield Road
Edmonton, Alberta
T5P 4P4**

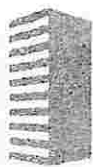
All persons entitled to claim a lien under the Builders' Lien Act and who performed work or supplied material in connection with or under the contract are warned that the time to file a claim of lien may be abridged and section 20 of the Act should be consulted.

Signed: 
Alan Lowe, Architect AIBC
Date: July 3rd, 2025



#118-21 Erie Street, Victoria, B.C.
tel. 250.360.2888

2025-07-03



**BLACKRETE
BUILDERS**

June 30, 2025

Alan Lowe Architect Inc.
#118-21 Erie Street
Victoria, British Columbia V8V 5A8

Dear [Payment Certifier: Name],

**RE: NOTICE OF SUBSTANTIAL PERFORMANCE AND REQUEST FOR
CERTIFICATE OF COMPLETION**

I Ayo Odugbesan, with Blackrete Builder Inc, request that the contract between
1270858 BC Ltd, 10464 Mayfield Rd NW Unit 210, Alberta

and

Blackrete Builders Inc, 201-3795 Carey Rd. Victoria, BC

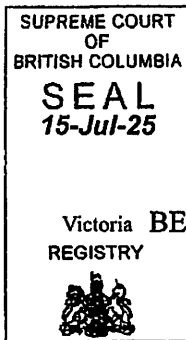
dated April 21, 2023 in connection with the improvement described as Skyview Development
obtained substantial performance as defined in the Builders Lien Act on June 23, 2025 and that,
as per the Builders Lien Act you issue, a Certificate of Completion within ten calendar days and
deliver it in accordance with the provisions of the Builders Lien Act within seven days of
issuance.

Warm Regards,

Ayotunde Odugbesan

Digitally signed by Ayotunde Odugbesan
DN: cn=CA,
c=ayotunde@blackretebuilders.com,
o=Blackrete Builders Inc,
ou=Management, cn=Ayotunde
Odugbesan
Date: 2025.06.30 15:43:51 -0700

Ayotunde Odugbesan
Project Manager
ayotunde.o@blackretebuilders.com
250-802-1392



No. VIC-S-H-247963
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Victoria BETWEEN:
REGISTRY

BJK HOLDINGS LTD.

PETITIONER

AND:

1270858 B.C. LTD.
TLA GROUP OF HOLDING COMPANIES INC.
CHRISTOPHER BRADLEY
TROY DAVID GRANT
STERLING LIVING LIMITED PARTNERSHIP
TRI SKYVIEW DEVELOPMENT GROUP LIMITED PARTNERSHIP
ADDY (815 & 824 SELKIRK AVE.) CORP.
TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP
COBRAFER CONSTRUCTION LTD.
6 MILES CONTRACTING LTD.
FACTUM CORP.

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) JULY 15, 2025
JUSTICE VEENSTRA)
)
)
)

ON THE APPLICATION of McEown and Associates Ltd., in its capacity as Receiver of 1270858 B.C. LTD. (the "Receiver") coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on July 15, 2025 and on hearing Jeremy D. West, counsel for the Receiver and those other counsel listed on **Schedule "A"** hereto;

THIS COURT ORDERS that:

1. Capitalized terms not defined herein shall have the meanings set out in the Sale Process attached hereto as **Schedule "B"**.

PRE-SALE CONTRACTS DISCLAIMER

2. The Receiver may, on notice to the affected parties (the “**Pre-Sale Contracts Counterparties**”), disclaim any or all of the pre-sale contracts attached as Appendix “D” to the First Report.
3. On the condition that all deposits made by the Pre-Sale Contracts Counterparties together with any interest thereon are returned to the Pre-Sale Contracts Counterparties in accordance with their respective pre-sale contracts, the Pre-Sale Contracts Counterparties shall be and are hereby permanently enjoined from registering charges on title to the Property relating to any such disclaimer by the Receiver.

SALE PROCESS

4. The Sale Process substantially in the form attached as **Schedule “B”** hereto is hereby approved.
5. The Receiver is hereby authorized to carry out the Sale Process and to take such steps and execute such documentation as may be necessary or incidental to the Sale Process.
6. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete a sale of the Property (the “**Sale**”). Each prospective purchaser or bidder to whom personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver.

STALKING HORSE AGREEMENT

7. The execution by the Receiver of the Stalking Horse Agreement substantially in the form attached hereto as **Schedule “C”** is hereby authorized, provided that nothing herein approves the sale of the Property as defined in the Stalking Horse Agreement on the terms set out in the Stalking Horse Agreement, and that the approval of any sale of the Property by the Court will be subject to a Vesting Order anticipated to be granted in accordance with the Sale Process, subject to further order of the Court.

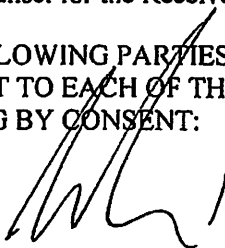
APPROVAL OF RECEIVER’S REPORT

8. The First Report, the Supplemental Report to Receiver’s First Report dated July 8, 2025 and the activities of the Receiver described therein are hereby approved.

GENERAL

9. This Order is authorized to be entered in the Vancouver Registry of the Supreme Court of British Columbia.
10. The Receiver may apply from time to time to this Court for advice and directions in the discharge of its powers and duties hereunder.
11. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is hereby dispensed with.

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



Signature of Jeremy D. West
Counsel for McEown and Associates Ltd., in
its capacity as Court-appointed Receiver of
1270858 B.C. Ltd.

BY THE COURT

Digitally signed by
Veenstra, J

Digitally signed by
Maarhuis, Danielle

REGISTRAR

SCHEDULE "A"
List of Counsel

Counsel's Name	Party Representing
Wojtek Jaskiewicz/Megan Mossip	BJK Holdings Ltd.

SCHEDULE “B”**Sale Process**

1. Pursuant to an Order (as may be amended from time to time, the “**Receivership Order**”) of the Honourable Justice Wolfe of the Supreme Court of British Columbia (the “**Court**”) dated November 8, 2024, McEown and Associates Ltd. was appointed as Receiver (in such capacity, the “**Receiver**”) without security, over all the assets, undertakings and property of 1270858 B.C. Ltd. (the “**Debtor**”), acquired for or used in relation to the construction, by the Debtor, of a residential strata development located at 244 Island Highway, Victoria, BC and legally described as PID: 031-302-777, Lot 1 Section 3 Esquimalt District Plan EPP108365 (collectively, the “**Property**”).
2. On July 15, 2025, the Court made an order (the “**Bidding Procedures Order**”) which, among other things (a) approved the Receiver’s entry into a certain purchase agreement for the purchase and sale of the shares of the Debtor between the Receiver and 5450 Realty Inc., (as party to the agreement, the “**Stalking Horse Bidder**”) dated June 13, 2025 (the “**Stalking Horse Agreement**”) so as to set a minimum price in respect of the Property, and (b) approved this sale process (the “**Sale Process**”) for the Property, subject to Court approval by way of a Reverse Vesting Order or Asset Vesting Order. As a result, interested parties will have an opportunity to submit offers to purchase the Property.
3. All references to currency in this Sale Process are references to Canadian Dollars unless otherwise stated. In this Sale Process, “**Business Day**” means any day other than a Saturday, Sunday, or statutory holiday in the Province of British Columbia.
4. The Property will be sold on an “as is, where is” basis, without representations or warranties of any kind by the Receiver, the Debtor, or any of their respective agents or estates.

Marketing

5. The Receiver or its real estate agent will solicit offers for the Property and market the Property as they see fit, including but not limited to the following:
 - a. preparing a teaser document (the “**Teaser**”) that outlines the Property for sale and this Sale Process;

- b. sending the Teaser to a list of potential interested parties as soon as the Sale Process is approved by the Court; and
- c. responding as appropriate at any time prior to the Bid Deadline to various questions and queries from interested parties with the assistance of the Debtor's management.

Sale Process and Timelines

- 6. All offers to purchase the Property must be submitted in accordance with the terms of this Sale Process and in compliance with the deadlines set out in this Sale Process, subject to the discretion of the Receiver in adjusting deadlines as provided in this Sale Process.

Letter of Interest and Non-Disclosure Agreement

- 7. In order to participate in the Sale Process, an interested party (a "Participant") must deliver the following documents to the Receiver:
 - a. a letter setting out: (i) the identity of the Participant, (ii) the contact information of the Participant and its legal counsel, if any, and (iii) full disclosure of the principals and ultimate parent of the Participant;
 - b. an executed Non-Disclosure Agreement in form and substance satisfactory to the Receiver; and
 - c. written evidence upon which the Receiver may reasonably conclude that the Participant has the necessary financial ability to close the contemplated transaction(collectively, the "Participant Requirements").
- 8. The Receiver will review all Participant Requirements received as soon as practicable after receipt and if the Participant Requirements are deemed satisfactory by the Receiver in its reasonable discretion then the person shall be deemed a Participant in this Sale Process.

Due Diligence

- 9. The Receiver will assemble and prepare an electronic data room including information regarding the Property to the extent that it is available to the Receiver (the "Due Diligence Materials").

10. Only those persons deemed to be a Participant in this Sale Process will be permitted to access the Due Diligence Materials. Participants will be permitted access to the Due Diligence Materials as soon as practicable after being deemed Participants.
11. The Receiver may at its discretion furnish, but shall not be obligated to furnish, any due diligence information other than the Due Diligence Materials. The Receiver is not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Property.

Submissions of Qualified Bids

12. In order to be considered a qualified bid by the Receiver (a “Qualified Bid”), a bid must satisfy each of the following conditions:
 - a. a Qualified Bid must be submitted in the form of an executed mark-up of the Stalking Horse Agreement reflecting the Participant’s proposed changes to the Stalking Horse Agreement;
 - b. a Qualified Bid must be open for acceptance and irrevocable until August 21, 2025;
 - c. a Qualified Bid must not be conditional on obtaining financing or any internal approval or on the outcome or review of due diligence. Any other contingencies associated with a Qualified Bid may not, in aggregate, be more burdensome than those set forth in the Stalking Horse Agreement;
 - d. a Qualified Bid must be accompanied by written evidence of a commitment for financing or other evidence of the ability to consummate the transaction satisfactory to the Receiver and appropriate contact information for such financing sources must be provided;
 - e. a Qualified Bid, other than the Stalking Horse Agreement, may not request or entitle the bidder to any break-up fee, expense reimbursement or similar type of payment;
 - f. each Qualified Bid must be accompanied by a cash deposit equal to five percent (5%) of the total purchase price contemplated under the Qualified Bid, which shall be paid to the Receiver by certified cheque or banker’s

draft, to be held by the Receiver in trust in accordance with this Sale Process;

- g. the aggregate consideration in a Qualified Bid must realize net sale proceeds at least \$100,000 greater than the Stalking Horse Agreement, after payment of the Break Fee, real estate commission, and all other closing costs in respect to the proposed transaction.
- h. a Qualified Bid must be delivered to the Receiver at or prior to 10:00 a.m. Pacific Time on August 15, 2025 (the “**Bid Deadline**”).

13. Notwithstanding the above requirements, the Stalking Horse Agreement is deemed to be a Qualified Bid for all purposes of this Sale Process.

If no Qualified Bid other than the Stalking Horse Agreement

14. If no Qualified Bid other than the Stalking Horse Agreement is received by the Bid Deadline, then the Sale Process shall be terminated and the Stalking Horse Bidder shall be declared the successful bidder at the price set out in the Stalking Horse Agreement. The Receiver shall then as soon as reasonably practicable apply for the Reverse Vesting Order as defined in the Stalking Horse Agreement and consummate the Stalking Horse Agreement.

Auction

15. Only if at least two Qualified Bids (inclusive of the Stalking Horse Agreement) are submitted in the Sale Process shall the Receiver conduct an auction for the Property (the “**Auction**”) at the offices of Watson Goepel LLP at 1200 – 1075 West Georgia Street, Vancouver, BC (the “**Auction Location**”) beginning at 10:00 a.m. on August 19, 2025 (the “**Auction Date**”), or at such later time or other place as the Receiver may advise.
16. The Auction shall be conducted in accordance with the following procedures:
- a. At least two days prior to the Auction Date, the Receiver will inform the Qualified Bidders which Qualified Bid the Receiver considers to be the highest offer for the Property (the “**Starting Bid**”). Other than the purchase price, no changes to the Starting Bid selected by the Receiver will be permitted.
 - b. Only the Receiver, the Qualified Bidders and the advisors of each of the foregoing shall be entitled to attend the Auction, and each Qualified Bidder must have at least one individual representative with authority to

bind such Qualified Bidder present at the Auction. Qualified Bidders and their advisors may attend the Auction via videoconference or in person.

- c. The Qualified Bidders will be placed in separate meeting rooms at the Auction Location, or in separate breakout rooms if attending the Auction by videoconference.
- d. All proceedings at the Auction shall be overseen and documented by the Receiver and its legal counsel.
- e. The Auction will be conducted through a series of “rounds of bidding” (each a “**Round**”). In each Round:
 - i. the Receiver will present the highest Qualified Bid from the preceding Round (the “**Floor Bid**”) to the Qualified Bidders. In the first Round, the Starting Bid will be the Floor Bid;
 - ii. the Qualified Bidders will be given an opportunity within a set period of time to improve their Qualified Bid such that the total consideration offered for the Property is no less than the sum of (A) the total consideration offered in the Floor Bid, plus (B) \$50,000, plus (C) the amount of the Break Fee in the Stalking Horse Agreement (the “**Auction Minimum Bid Increment**”) (each, an “**Improved Bid**”); and
 - iii. the Receiver will consider the Floor Bid and each Improved Bid to determine, in its reasonable business judgment, which is the highest offer for the Property.
- f. The Rounds will continue until such time as no Improved Bids are received within the time limit set by the Receiver in its sole discretion, or until the Receiver determines, in its reasonable business judgment, that no Improved Bid is higher than the Floor Bid. The Floor Bid in the last Round of the Auction will be the “**Successful Bid**”.
- g. Improved Bids in each Round will be presented to the Receiver and will be fully disclosed to the other Qualified Bidders so that they may submit an improved bid if they choose, within the time limit set by the Receiver in its sole discretion.
- h. The Receiver may, in its sole discretion, amend the Auction Minimum Bid Increment for each Round and will disclose the new Auction Minimum

Bid Increment to the Qualified Bidders at the commencement of the Round.

- i. The Receiver may introduce such other procedural rules as the Receiver considers to be fair and reasonable in the circumstances, provided that such rules as disclosed to the Qualified Bidders are not inconsistent with the Sale Process or the Bidding Procedures Order; and that no such rules may change the requirement that all Improved Bids shall be made and received in one room, within a defined period, on an open basis, and all other Qualified Bidders (that have not failed to make an Improved Bid in a prior Round of bidding) shall be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of the then highest and/or best Improved Bid at the end of each Round of bidding will be fully disclosed to all other Qualified Bidders.
17. Following completion of the Auction, the Receiver shall as soon as reasonably practicable apply for the Reverse Vesting Order as defined in the Successful Bid and consummate the Successful Bid.

Break Fee

18. If a transaction is completed pursuant to the Successful Bid with a party that is not the Stalking Horse Bidder, the break fee in the Stalking Horse Agreement shall be payable to the Stalking Horse Bidder in accordance with the terms of the Stalking Horse Agreement.

Failure to Complete a Transaction

19. If the transaction contemplated by the Successful Bid fails to close as a result of a breach by the prospective purchaser, its deposit shall be absolutely forfeited to the Receiver as liquidated damages, without prejudice to the Receiver's additional rights and remedies against such prospective purchaser whether at law or in equity. In particular, the Receiver specifically reserves the right to seek all available damages from such party in addition to the retention of the deposit.

Return of Deposits

20. The deposit provided in connection with the Successful Bid will be retained by the Receiver until a transaction is completed pursuant to the Successful Bid. The deposit provided in connection with all other Qualified Bids will be promptly

returned after the Auction has concluded provided that they are not retained under the paragraph entitled "Failure to Complete a Transaction" above.

Notice

21. All documents and correspondence to be delivered by a party in connection with this Sale Process shall be delivered by courier or email:

To the Receiver at:

McEown and Associates Ltd., in its capacity
as court-appointed Receiver of 1270858 B.C. Ltd.
110 - 744 West Hastings St.
Vancouver, BC
V6C 1A5

Attention: John McEown
Email: jm@mceownassociates.ca

Modifications

22. This Sale Process may be modified or amended by the Receiver provided that if such modification or amendment materially deviates from this Sale Process, such modification or amendment may only be made by order of the Court.
23. The Receiver may (a) determine, in its reasonable business judgment, which Qualified Bid is the highest or otherwise best offer, or (b) reject a Qualified Bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of this Sale Process, or (iii) contrary to the best interests of the Receivership estate.

Schedule "C"
Stalking Horse Agreement

OFFER TO PURCHASE AND CONTRACT OF PURCHASE AND SALE AGREEMENT

THIS AGREEMENT dated for reference the 13th day of June, 2025 is made

BETWEEN:

5450 REALTY INC.

(the "Purchaser")

AND:

**1270858 B.C. LTD. by McEOWN AND
ASSOCIATES LTD. solely in its capacity as court
appointed receiver.**

(the "Vendor")

WHEREAS:

- A. By order dated November 8, 2024, (the "Receivership Order") of the Supreme Court of British Columbia (the "Court") made in Supreme Court of British Columbia Action No. VIC-S-H-247963, Victoria Registry (the "Proceedings"), the Vendor was appointed receiver of all the assets, undertakings, and property of 1270858 B.C. Ltd.; and
- B. The Purchaser and the Vendor have entered into this Offer to Purchase whereby the Purchaser has agreed to subscribe for, and the Vendor has agreed to issue, the Purchased Shares (as defined herein) on and pursuant to the terms set forth herein.

1. INTERPRETATION

1.1. Definitions

In this Offer to Purchase:

- 1.1.1. "Books and Records" means the books and records of the Company, including the financial statements, corporate, operations and sales books, records, business reports, plans and projections, the Company's minute book, and all other documents, plans, files, records, assessments, correspondence, and other data and information, financial or otherwise, including all data and information stored on computer-related or other electronic media;
- 1.1.2. "Buildings" means the buildings and other improvements on the Lands including, without limitation, mechanical and electrical systems;
- 1.1.3. "Business Day" means any day that is not a Saturday, Sunday or statutory holiday in British

Columbia;

- 1.1.4. **"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;
- 1.1.5. **"Closing"** has the meaning set out at Section 8.1;
- 1.1.6. **"Closing Date"** means fifteen (15) days after court approval;
- 1.1.7. **"Company"** means 1270858 B.C. Ltd;
- 1.1.8. **"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;
- 1.1.9. **"Credit Bid Consideration"** has the meaning set out at Section 2.6.2.
- 1.1.10. **"Disclosure Statement"** means, collectively, the disclosure statement prepared in connection with the Property;
- 1.1.11. **"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;
- 1.1.12. **"Equity Interests"** means any capital share, capital stock, partnership, membership, joint venture, or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest, or similar rights) of a person;
- 1.1.13. **"Final Reverse Vesting Order"** means the Reverse Vesting Order when it has satisfied the following conditions: (a) it is in full force and effect; (b) it has not been reversed, modified or vacated and is not subject to any stay; and (c) all applicable appeal periods have expired, and any appeals therefrom have been finally disposed of, leaving the Reverse Vesting Order wholly operable;
- 1.1.14. **"Lands"** means the lands and premises in Victoria, British Columbia, legally described in Part 1 of Schedule "A" attached hereto;
- 1.1.15. **"Land Title Office"** means the Victoria Land Title Office;
- 1.1.16. **"Lending Agreements"** means certain loan agreement dated as of June 7, 2023 among the

Company, as borrower, TLA Group of Holdings Companies Inc., Christopher Bradley and Troy David Grant, as guarantors and BJK Holdings Ltd. (“BJK”) as lender, as amended by an amending agreement dated August 3rd, 2023, and a forbearance agreement dated April 26, 2024 among the Company, as borrower, and TLA Group of Holdings Companies Inc., Christopher Bradley, Troy David Grant, 1264902 B.C. Ltd., Sterling Living (G.P.) Inc., and 1269354 B.C. Ltd., as guarantors (collectively, the “**Guarantors**”) and BJK, as lender, (collectively, as modified, amended, supplemented, revised, restated and replaced from time to time);

- 1.1.17. “**Lending Agreements Debt**” means the aggregate amount owing under the Lending Agreements as of the Closing Date;
- 1.1.18. “**Liability**” means, with respect to any person, any liability or obligation of such person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such person;
- 1.1.19. “**Mutual Waiver Date**” means 21 days after the completion or termination of the Sales Process or such other date as mutually agreed upon by the parties;
- 1.1.20. “**Notice of Alteration**” means, to the extent required, the notice of alteration in respect of the Company’s authorized and issued capital to create a new class of shares of the Company, and effect such other changes to the articles of the Company, as required, in order to consummate the transactions pursuant to this Offer to Purchase, such Notice of Alteration to be in form and substance satisfactory to the Purchaser acting reasonably;
- 1.1.21. “**Offer to Purchase**” means this Offer to Purchase and Contract of Purchase and Sale Agreement;
- 1.1.22. “**Permitted Encumbrances**” means:
- 1.1.22.1. the notations and encumbrances set forth in Part 2 of Schedule “A” attached hereto; and
 - 1.1.22.2. any other leases, agreements, liens, charges or encumbrances expressly permitted in writing by the Purchaser;
- 1.1.23. “**Plans and Warranties**” all plans, permits, licences or warranties relating to the Property;
- 1.1.24. “**Priority Payable Consideration**” has the meaning set out at 2.6.1;
- 1.1.25. “**Project Deposits**” means collectively, all deposits related to the development on the Lands;

1.1.26. "Project Documents" means:

- 1.1.26.1. copies of any environmental, building condition, or geotechnical reports or studies;
- 1.1.26.2. copies of all building permits;
- 1.1.26.3. copies of plans, specifications, and surveys for and relating to the Property, including mechanical, architectural, or electrical design drawings and building specifications all if in the Vendor's possession;
- 1.1.26.4. copies of any construction contracts relating to the Buildings;
- 1.1.26.5. copies of the Disclosure Statement;
- 1.1.26.6. Traveler's Insurance Escrow Agreement;
- 1.1.26.7. evidence of the existing insurance relating to the Property;
- 1.1.26.8. copies of any Plans and Warranties; and
- 1.1.26.9. copies of the most currently available property assessment and realty tax notices/statements, and utilities invoices for the Lands.

1.1.27. "Property" means the Lands, the Buildings, the Plans and Warranties, the Project Deposits and the benefit of the Project Documents;

1.1.28. "Priority Payables" means any amounts owing as of the Closing Date under the receiver's charge approved pursuant to the Receivership Order;

1.1.29. "Purchase Price" means the sum of \$18,500,000;

1.1.30. "Purchased Shares" has the meaning set out at Section 2.1.1;

1.1.31. "Purchaser's Solicitors" means WeirFoulds LLP;

1.1.32. "Reverse Vesting Order" means a reverse vesting order of the Court, substantially in the form attached hereto as Schedule "B" pursuant to which the Company continues to hold all of its right, title, and interest in the Lands and the Buildings, and all Claims and encumbrances against the Company, including all Claims and encumbrances against the Company's interest in the Lands and the Buildings, and any Excluded Assets or Excluded Liabilities are vested in a new entity incorporated for that purpose;

1.1.33. "Sales Process" means a sales process order made by the Supreme Court of British Columbia in action number 247963 in the Victoria Registry;

1.1.34. “**Traveler’s Insurance Escrow Agreement**” means the escrow agreement dated August 3rd, 2023 between Travelers Insurance Company Canada, the Company, and Fasken Martineau Dumoulin LLP; and

1.1.35. “**Vendor’s Solicitors**” means Watson Goepel LLP.

1.2 **Currency**

All dollar amounts referred to are Canadian dollars.

1.3. **Construction**

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

1.4. **Governing Law**

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

2. **PURCHASE AND SALE**

2.1. **Offer to Purchase**

2.1.1. Upon acceptance and subject to the terms and conditions of this Offer to Purchase, the Vendor shall issue to the Purchaser, and the Purchaser shall subscribe for that number of shares in the capital of the Company from treasury, to be specified by the Purchaser at least 5 days prior to Closing, which shares shall be free and clear of all encumbrances (the “**Purchased Shares**”). 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.

2.1.2. Pursuant to the Reverse Vesting Order and, if required, the Notice of Alteration, all Equity Interests of the Company outstanding prior to the issuance of the Purchased Shares, other than the Purchased Shares, shall be cancelled without consideration, and the Purchased Shares shall represent 100% of the outstanding Equity Interests in the Company after such cancellation and issuance.

2.1.3. For the avoidance of doubt, upon the Closing, the Company will be wholly owned, directly or indirectly, by the Purchaser.

2.2 **Excluded Assets**

Notwithstanding any provision of this Offer to Purchase to the contrary, as of the Closing, the assets of the Company shall not include any of the assets set forth in Schedule “C” hereto (collectively, the “**Excluded Assets**”).

2.3 **Excluded Contracts**

Notwithstanding any provision of this Offer to Purchase to the contrary, as of the Closing, the

assets of the Company shall not include any of the contracts set forth in Schedule "D" hereto (collectively, the "Excluded Contracts").

2.4 Retained Liabilities

Pursuant to this Offer to Purchase and the Reverse Vesting Order, as of the Closing Date, the only obligations and Liabilities of the Company shall consist of only the items specifically set forth in Schedule "E" hereto (collectively, the "Retained Liabilities"); provided, for the avoidance of doubt, that the Retained Liabilities of the Company pursuant to this Section 2.5 shall continue to be Liabilities of the Company as of Closing.

2.5 Excluded Liabilities

Save and except for the Retained Liabilities explicitly set out herein, if any, the Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Vendor (collectively, the "Excluded Liabilities"), which Excluded Liabilities include, but are not limited to, the following:

- 2.5.1 all liabilities and Claims arising or accruing from the use of, or in any way related to, the Excluded Assets or the Excluded Contracts; and
- 2.5.2 all Liabilities of the Vendor set forth in Schedule "F" hereto.

2.6 Purchase Price Allocation

The total aggregate consideration payable by the Purchaser for the Purchased Shares shall be allocated as follows:

- 2.6.1 first, to the Priority Payables (the "Priority Payable Consideration"), if any; and
- 2.6.2 the remainder shall be satisfied by a release of an amount equal to the difference between the Purchase Price and the Priority Payable Consideration, from the total amount outstanding under the Lending Agreements (the "Credit Bid Consideration").

2.7 Satisfaction of Purchase Price

- 2.7.1 The Credit Bid Consideration shall be paid and satisfied on the Closing Date by BJK releasing the Company from repayment of all amounts owing in connection with the Credit Bid Consideration. The Guarantors shall not be released from a claim for deficiency unless the Credit Bid Consideration exceeds the amounts owed to BJK under the Lending Agreements.
- 2.7.2 The Priority Payable Consideration, if any is outstanding, shall be paid and satisfied on the Closing Date by the Purchaser paying the Priority Payable Consideration to the Vendor.

2.3 Termination of Contract

This Offer to Purchase may be terminated at the Vendor's sole option if at any time prior to Court approval,

2.3.1 the Court varies or vacates the Receivership Order to remove or impede the Vendor's ability to market the Lands for sale; or

2.3.2 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.

3. DOCUMENTS AND INSPECTION

3.1 Project Documents and Books and Records

The Vendor confirms that it has delivered or made available to the Purchaser copies of the Project Documents and Books and Records, to the extent the Project Documents and Books and Records are in the Vendor's possession. For additional clarity, the Vendor makes no representations or warranties as to the completeness or veracity of the Project Documents or Books and Records. If this Offer to Purchase becomes null and void (including under Section 7.3.1), the Purchaser shall thereupon return or destroy all Project Documents, Books and Records, 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. ADJUSTMENTS AND RELATED MATTERS

4.1 Adjustments

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

5 POSSESSION

5.1 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.

6 REPRESENTATIONS AND WARRANTIES

6.1 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 7.2, all necessary authority to complete the transactions herein, including but not limited to the sale of Purchased Shares and to execute and deliver this Offer to Purchase 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.

6.2 As Is Where Is

The Purchaser acknowledges, covenants, and agrees that:

- 6.2.1. except as expressly set forth herein, it is purchasing the Purchased Shares on a strictly "as is, where is" basis;
- 6.2.2. 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:
 - 6.2.2.1. 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;
 - 6.2.2.2. the development potential or the fitness of the Property for the intended use of it by the Purchaser, and that certain marketing activities have been previously undertaken by a developer pursuant to the Disclosure Statement;
 - 6.2.2.3. the general condition and state of any improvements, equipment, utilities or other facilities or systems in, on, under or servicing the Property;
 - 6.2.2.4. the boundaries and dimensions of the Property;
 - 6.2.2.5. 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;

- 6.2.3. 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;
- 6.2.4. 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;
- 6.2.5. 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 6.2 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 6.2 any and all of which shall, on the Closing Date, be accepted and assumed by the Purchaser;
- 6.2.6. 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;
- 6.2.7. 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 Purchased Shares under this Offer to Purchase. Upon completion of the purchase and sale of the Purchased Shares 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;
- 6.2.8. 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 Purchaser or any other party in any way;
- 6.2.9. the assets to be purchased under this Offer to Purchase does not include any personal property or chattels, and that any personal property or chattels remaining in the premises on the Property which are taken by the Purchaser, 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;
- 6.2.10. there will be no adjustments made to the Purchase Price on account of any tenancies assumed by the Purchaser, including but not limited to adjustments for rents or security

deposits;

6.2.11. the provisions of this Section 6.2 shall survive the Closing.

6.3 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:

6.3.1. the Purchaser has the power, authority and capacity to purchase the Purchased Shares;

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

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

7 CONDITIONS PRECEDENT

7.1 Purchaser's Conditions Precedent

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

7.2 Mutual Condition

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

7.3 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 7 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:

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

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

of being terminated by either of the parties.

8 CLOSING

8.1 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, or such other location as may be agreed to by the Vendor and Purchaser.

8.2 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:

- 8.2.1. Court certified copy of the Reverse Vesting Order and any other orders as are necessary;
- 8.2.2. letters from the Vendor’s Solicitors to the Land Title Survey Authority or other agency as may be required by the Reverse Vesting Order;
- 8.2.3. the Purchased Shares;
- 8.2.4. evidence of filing the Notice of Alteration, as applicable;
- 8.2.5. if applicable, either:
 - 8.2.5.1. registrable releases of any liens, charges and encumbrances against all or any part of the Property or the Company other than Permitted Encumbrances; or
 - 8.2.5.2. 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;
- 8.2.6. all keys and master keys to all units and facilities of the Property in the Vendor’s possession; and
- 8.2.7. such other documents as the Vendor’s Solicitors may reasonably require to document the sale and purchase contemplated herein.

8.3 Purchaser’s Closing Documents

At the Closing, following delivery into escrow by the Vendor of those documents described in Section 8.2, the Purchaser will execute and deliver to the Purchaser’s Solicitors in escrow as hereinafter provided the following:

- 8.3.1. an amount payable to the Vendor or as the Vendor may direct by wire transfer or other form of immediately available funds, to satisfy the Purchase Price due on the Closing Date;

and

- 8.3.2. such other documents as the Purchaser's Solicitors may reasonably require to document the sale and purchase herein.

8.4 Form of Documents

All documents referred to in Sections 8.2 and 8.3 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 three (3) 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.

8.5 Closing Escrow

All documents and funds delivered by the Purchaser and the Vendor, except the letter referred to in Section 8.2.2, and any releases delivered pursuant to paragraph 8.2.5.1 shall be held in trust by the Purchaser's Solicitors in the Purchaser's Solicitor's offices until the letter referred to in Section 8.2.2 and any releases delivered pursuant to paragraph 8.2.5.1 have been accepted for registration in the Land Title Office, 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, including discharges, 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.

8.6 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:

- 8.6.1. deposited with the Purchaser's Solicitors that portion of the Purchase Price not secured by the new mortgage;
- 8.6.2. fulfilled all the new mortgagee's conditions for funding except submitting the mortgage for registration; and
- 8.6.3. 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.

8.7 **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.

8.8 **Break Fee**

From the date that the Vendor executes this Offer to Purchase, the Vendor agrees to pay the Purchaser a break fee in the amount of \$200,000 (the "**Break Fee**") in the event that the Vendor decides not to proceed with this Offer to Purchase for any reason whatsoever, including but not limited to the failure to remove the Mutual Condition set out in Section 7.2, and this Offer to Purchase is terminated and becomes null and void. For clarity, the Break Fee will also be payable by the Vendor to the Purchaser in the event that the Vendor receives and accepts a similar offer in accordance with the provisions of the Sales Process or accepts a competing bid for the Purchased Shares.

9 **GENERAL**

9.1 **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.

9.2 **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.

9.3 **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.

9.4 **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 Vendor:
McEown And Associations Ltd.
744 Hastings Street W, Vancouver
British Columbia, V6C 1A5
Attention:
Email:

To Purchaser
5450 Realty Inc.
238 22 St N, Lethbridge, AB T1H 3R7
Attention: Russ Zemp
Email: russ.zemp@kirkstire.ca

or to such other address 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.

9.5 Fees and Taxes

9.5.1. 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.

9.5.2. This Section 9.5 shall survive and not merge on Closing.

9.6 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.

9.7 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.

9.8 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.

9.9 **Assignment**

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

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

Otherwise, the Purchaser may only assign this Offer to Purchase with the prior written consent of the Vendor.

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

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

9.10 **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.

9.11 **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.

9.12 **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:

- 9.12.1. for the purposes of any litigation which ensues relating to this Offer to Purchase;

9.12.2. for the purposes of any reports required to be made by them respectively under any statute or by law;

9.12.3. for the purpose of dealings with their accountants, lawyers and other professionals in the administration of their respective business; and

9.12.4. for the purpose of anything required under this Offer to Purchase.

9.13 Schedules

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

Schedule "A" – Legal Description and Permitted Encumbrances

Schedule "B" – Form of Reverse Vesting Order

Schedule "C" – Excluded Assets

Schedule "D" – Excluded Contracts

Schedule "E" – Retained Liabilities

Schedule "F" – Excluded Liabilities

The Parties acknowledge that as of the date of this Offer to Purchase, the Schedules to this Offer to Purchase are not complete. Such Schedules, where applicable, may be amended or completed by the Purchaser by written notice to the Vendor, up until two (2) days prior to the Closing Date.

This Offer to Purchase is irrevocable and is open for acceptance by the Vendor 48 hours after court approval of this Agreement 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.

The Purchaser:

5450 Realty Inc.

Signed By:
By: David Thiessen
Authorized Signatory
David Thiessen

This Offer to Purchase is accepted by the Vendor this _____, 2025

The Vendor:

McEown And Associations Ltd., solely in
its capacity as receiver of the Property and
not in its personal capacity

By: _____
Authorized Signatory

SCHEDULE A

PART 1: LEGAL DESCRIPTION

Lot 1 Section 3 Esquimalt District Plan EPP108365
PID: 031-302-777

PART 2: PERMITTED ENCUMBRANCES

M76301 – Undersurface Rights – Her Majesty the Queen in Right of the Province of British Columbia – Inter Alia

CA6914551 – Covenant – The Corporation of the Town of View Royal

CA6914552 – Statutory Right of Way - The Corporation of the Town of View Royal

CA9272082 – Statutory Right of Way – British Columbia Hydro and Power Authority

CA9272083 – Statutory Right of Way – Telus Communications Inc.

CB382881 – Statutory Right of Way – British Columbia Hydro and Power Authority

CB382882 – Statutory Right of Way – Telus Communications Inc.

SCHEDULE B

DRAFT ORDER IN A FORM TO BE APPROVED

SCHEDULE C
EXCLUDED ASSETS

To be negotiated by the parties and agreed two (2) business days before to closing

SCHEDULE D
EXCLUDED CONTRACTS

The following purchase agreements related to the Property:

Strata Lot / Suite #	Purchaser(s)	Acceptance Date
SL 3 Suite 103	Sarah Ann Matheson, James Leslie Scott Matheson, and Ann Mary Matheson	October 15, 2022
SL 8 Suite 201	Ehab N. Fadhel	September 20, 2022
SL 11 Suite 204	Mert Baturay	October 16, 2021
SL 12 Suite 205	Nives Janja Kliska	April 16, 2021
SL 13 Suite 206	Sarah Chow and Ross Chow	April 18, 2021
SL 15 Suite 208	Tommy Dang	April 19, 2021
SL 17 Suite 210	JCS Enterprises Inc.	September 5, 2021
SL 19 Suite 301	Hailey Vanessa Hunt	September 15, 2021
SL 24 Suite 306	Jose Antonio Gavidia Alas and Mackenzie Erica Gavidia Alas	April 16, 2021
SL 34 Suite 405	Christian KE Knapp	April 22, 2021

Such further contracts as negotiated by the parties and agreed two (2) business days before to closing.

SCHEDULE E
RETAINED LIABILITIES

To be negotiated by the parties and agreed two (2) business days before to closing

SCHEDULE F

EXCLUDED LIABILITIES

1. All Claims related to the Certificate of Pending Litigation filed by Addy (815 & 824 Selkirk Ave.) Corp. and Tri-Sterling Developments Limited Partnership (collectively, the "Plaintiffs") under registration no. CB1267832, including without limitation, all civil claims outlined in the proceedings commenced by the Plaintiffs against the Company pursuant to an action commenced In the Supreme Court of British Columbia, Vancouver Registry No. S-242487;
2. All Claims related to the Claim of Builders Lien filed by Cobrafer Construction Ltd. under registration no. CB1305343;
3. All Claims related to the Claim of Builders Lien filed by 6 Mile Island Contracting Ltd. under registration no. BB3100841;
4. All Claims related to the Certificate of Pending Litigation filed by Factum Corp. ("Factum") under registration no. CB1331891, including, without limitation, all civil claims outlined in the proceedings commenced by Factum against the Company pursuant to an action commenced In the Supreme Court of British Columbia, New Westminster Registry No. NEW-S-253504;
5. All Claims related to the Claim of Builders Lien filed by Simco Drywall Ltd. under registration no. WX2194448;
6. All Claims related to the delay claim submissions from Compass Electric, including the claims detailed Skyview Delay Claim summary report.

Subject to final negotiation between the parties to be completed no less than two (2) business days before the Reverse Vesting Order application and expressly subject to Court approval.

**MULTIPLE LISTING CONTRACT****MULTIPLE LISTING SERVICE® MLS® OFFICE USE ONLY**

DATE

LISTING MLS® NO

BETWEEN: McEown & Associates Ltd.

OWNER(S) ("SELLER")

as per SCBC order No. VIC-S-H247963

OWNER(S) ("SELLER")

OWNER(S) ("SELLER")

111 744 W. Hastings

UNIT ADDRESS

Vancouver BC V6C 1A5

CITY PROV PC

TELEPHONE NUMBER

CELL NUMBER

AND: AY Victoria Realty Ltd.

("LISTING BROKERAGE")

888 View Street

UNIT ADDRESS

Victoria BC V8W1K2

CITY PROV PC

250-686-2988

TELEPHONE NUMBER CELL NUMBER

1. LISTING AUTHORITY AND TERM:

A. The Seller hereby lists exclusively with the Listing Brokerage the property described in Clause 2 ("Property")

from July 16 2025 (Effective Date) until 11:59 pm on

MONTH

DAY

YEAR

December

MONTH

31

DAY

2025

YEAR

(Expiry Date) unless renewed in writing.

B. The Seller hereby:

- (i) authorizes the Listing Brokerage to obtain information concerning the Property from any person, corporation or governmental authority, including any mortgagee and British Columbia Assessment, and to share this information with other parties, including members of any real estate board;
- (ii) authorizes the Listing Brokerage to advertise the Property and to show it to prospective buyers during reasonable hours;
- (iii) restricts the advertising of the Property to the Listing Brokerage only except where the advertising of the Property by other members of the real estate board of which the Listing Brokerage is a member (hereinafter referred to as the "Board") or any other real estate board has been permitted by the Listing Brokerage;
- (iv) agrees to allow the Listing Brokerage to place "For Sale" and "Sold" signs upon the Property; and
- (v) agrees to allow Cooperating Brokerages (as hereinafter defined) and, with the written consent of the Seller, a sub-agent of the Listing Brokerage ("Sub-Agent") to show the Property to prospective buyers.

2. PROPERTY:

<u>244</u>	<u>Island</u>	<u>Hwy</u>
UNIT NO.	HOUSE NO.	STREET NAME
<u>Victoria</u>	<u>V9B 1G3</u>	
CITY/TOWN/MUNICIPALITY	POSTAL CODE	

031-302-777

PID

OTHER PID(S)

INITIALS	

244 Island Hwy Victoria V9B 1G3
PROPERTY ADDRESS

Lot 1, Section 3, Esquimalt District, Plan EPP108365

LEGAL DESCRIPTION

3. **TERMS OF SALE:** \$19,115,000 on completion
LISTING PRICE TERMS

4. LISTING SERVICE AND COOPERATING BROKERAGES: The Seller authorizes the Listing Brokerage:

- A. To list the Property with the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage selects and has access to and to cooperate with brokerages (which may include the Listing Brokerage) and their designated agents (other than the Designated Agent) acting for a prospective buyer ("Cooperating Brokerages");
- B. To publish in the Multiple Listing Service® of the Board, the Multiple Listing Service® of any other real estate board, Internet, or anywhere else that the Listing Brokerage selects and has access to, and to share with other parties, including British Columbia Assessment, the information contained in this Contract, the information contained in the Data Input Form and the Seller's Property Disclosure Statement, if applicable, and the sale price of the Property once an unconditional accepted offer exists; and
- C. To make agency disclosures required of the Listing Brokerage.

5. LISTING BROKERAGE'S REMUNERATION:

- A. The Seller agrees to pay the Listing Brokerage a gross commission equal to the amount set out in Clause 5D, in accordance with this Clause 5, if:
 - (i) a legally enforceable contract of sale between the Seller and a Buyer is entered into during the term of this Contract; or
 - (ii) a legally enforceable contract of sale between the Seller and a Buyer who is introduced to the Property or to the Seller, by the Listing Brokerage, the Designated Agent (as hereinafter defined), a Sub-Agent, a Cooperating Brokerage or any other person including the Seller during the term of this Contract is entered into:
 - (a) within sixty (60) days after the expiration of the term of this Contract; or
 - (b) any time after the period described in (a) where the efforts of the Listing Brokerage, the Designated Agent (as hereinafter defined), the Sub-Agent or the Cooperating Brokerage were an effective cause; provided, however, that no such commission is payable if the Property is listed with another licensed brokerage after the expiration of the term of this Contract and sold during the term of that listing contract;

except, in the case of (i) or (ii), if the Property is "residential real property" (as defined in the *Home Buyer Rescission Period Regulation*) that is not exempt and the buyer has exercised their right of rescission set out in Section 42 of the *Property Law Act* within the prescribed period and in the prescribed manner for doing so in which case no remuneration will be payable by the Seller; or

- (iii) an offer to purchase is obtained from a prospective buyer during the term of this Contract who is ready, willing and able to pay the Listing Price and agrees to the other terms of this Contract, even if the Seller refuses to sign the offer to purchase.
- B. The Seller will pay the remuneration due to the Listing Brokerage under this Clause 5 on the earlier of the date the sale is completed, or the completion date, or where no contract of sale has been entered into seven (7) days after written demand by the Listing Brokerage.


INITIALS

244

Island

Hwy

Victoria

V9B 1G3

PROPERTY ADDRESS

C. The Seller agrees that, to assist in obtaining a buyer for the Property, the Listing Brokerage will offer to Cooperating Brokerages and Sub-Agents a portion of the Listing Brokerage's commission.

D. (i) Upon the occurrence of an event described in Clauses 5A(i), 5A(ii) or 5A(iii), the Seller will pay remuneration to the Listing Brokerage of an amount equal to:

1.75%

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission (commission + tax = remuneration).

(ii) If there is a Cooperating Brokerage, the Listing Brokerage will pay to the Cooperating Brokerage, from the remuneration paid to the Listing Brokerage by the Seller pursuant to Clause 5D(i), an amount equal to:

0.75%

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission; and the Listing Brokerage will retain, from the remuneration paid to the Listing Brokerage by the Seller pursuant to Clause 5D(i), an amount equal to:

1%

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission.

(iii) If there is no Cooperating Brokerage, the Listing Brokerage will retain the entire amount of the remuneration paid by the Seller pursuant to Clause 5D(i), being an amount equal to:

1.75%

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission.

E. The Listing Brokerage and the Designated Agent will advise the Seller of any remuneration, other than described in this Clause 5, to be received by the Listing Brokerage in respect of the Property.

6. ASSIGNMENT OF REMUNERATION: The Seller hereby irrevocably:

A. Assigns to the Listing Brokerage from the proceeds of sale of the Property, the amount of remuneration due to the Listing Brokerage and authorizes the Listing Brokerage to retain from the deposit monies the amount of the Listing Brokerage's remuneration;

B. Acknowledges that the Listing Brokerage may assign to a Cooperating Brokerage, a Sub-Agent or both of them all or part of the remuneration due to the Listing Brokerage; and

C. Directs, or agrees to sign such documents as may be required by the Listing Brokerage irrevocably directing a Lawyer or Notary Public acting for the Seller or a buyer, to pay the remuneration due to the Listing Brokerage, or the net amount remaining after the deposit monies held in trust have been credited against the remuneration due to the Listing Brokerage, to the Listing Brokerage a Sub-Agent, and a Cooperating Brokerage, where applicable, by separate cheques to the Listing Brokerage, the Sub-Agent and the Cooperating Brokerage.


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7. DESIGNATED AGENCY:

- A. Subject to Clause 7C(iii) the Listing Brokerage designates Dave Bornhold Personal Real Estate Corporation

(the "Designated Agent") to act as the sole agent of the Seller in respect of the Property and will designate one or more licensees of the Listing Brokerage to act as the sole agents of all buyers and other sellers also represented by the Listing Brokerage. If for any reason the license of the Designated Agent (or where the Designated Agent is comprised of more than one licensee, the licenses of all of those licensees) is suspended, cancelled or becomes inoperative under the *Real Estate Services Act* or the Designated Agent (or where the Designated Agent is comprised of more than one licensee, all of those licensees) is temporarily unavailable or ceases to be engaged by the Listing Brokerage, the Listing Brokerage will designate another licensee of the Listing Brokerage to act as the sole agent of the Seller;

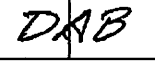
- B. The Designated Agent will not disclose to other licensees, including licensees of the Listing Brokerage who represent buyers or other sellers, any confidential information of the Seller obtained through the Designated Agent's agency relationship with the Seller unless authorized by the Seller or required by law.
- C. The Seller agrees that:
- (i) subject to (iii) an agency relationship will exist only with the Designated Agent;
 - (ii) information obtained by the Designated Agent through the Designated Agent's agency relationship with the Seller will not be attributed to the Listing Brokerage or to other licensees of the Listing Brokerage who represent buyers or other sellers;
 - (iii) the Listing Brokerage's agency relationship is limited to listing the Property with the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage selects and has access to; and
 - (iv) for the purposes of Clauses 1B, and 4, the term Listing Brokerage shall include the Designated Agent.

8. THE DESIGNATED AGENT WILL:

- A. Act as the agent of only the Seller with respect to the Property;
- B. Provide information about the Property to Sub-Agents and Cooperating Brokerages;
- C. Subject to Clause 9A use reasonable commercial efforts to market the Property and to promote the interests of the Seller;
- D. At the earliest reasonable opportunity, advise any buyer interested in the Property that the Designated Agent is the agent of the Seller;
- E. Fulfill the duties set out in
 - (i) Real Estate Services Rule 30, except as modified or made inapplicable by agreement between the Listing Brokerage and the Seller, and
 - (ii) Real Estate Services Rule 33 and 34;
- F. Obey all lawful instructions of the Seller that are consistent with the Real Estate Services Act, the Real Estate Services Rules, the REALTOR® Code and all applicable Rules and Bylaws of the real estate board or association including related Regulation and Policies;

9. THE LISTING BROKERAGE AGREES:

- A. That the services set out in Schedule "A" will be provided. Where the Listing Brokerage and the Designated Agent have chosen or agreed not to provide services to the Seller other than submitting the listing for posting with the Multiple Listing Services® of the Board and any other real estate board that the Listing Brokerage selects and has access to, Schedule "A" may include modifications to Clauses 5A, 5B, 6A, 6B, 6C, 8B, 8C, 8D, 8E, 10A, 10C, 10D, 10F and 10G;

	
INITIALS	

244 Island

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Victoria

V9B 1G3

PROPERTY ADDRESS

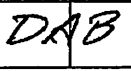
- B. To monitor and supervise the activities of the Designated Agent to ensure compliance by the Designated Agent with the provisions of this Contract and with the Listing Brokerage's policies and procedures governing designated agents;
- C. Not to disclose confidential information of the Seller to any person unless authorized by the Seller or required by law;
- D. To treat the interests of the Seller and all buyers and other sellers also represented by the Listing Brokerage in an even handed, objective and impartial manner; and
- E. To hold all monies received by the Listing Brokerage in trust in accordance with the *Real Estate Services Act*.

10. THE SELLER AGREES:

- A. To promptly advise the Designated Agent of, and refer to the Designated Agent, all inquiries for the purchase of the Property, and to deliver to the Designated Agent all offers to purchase which may be received during the term of this exclusive Contract or arising by reason of it;
- B. That the Seller has the authority to sell the Property and to enter into this Contract;
- C. That the Seller will disclose to the Designated Agent all third party claims and interests in the Property known to the Seller;
- D. That the Seller will disclose to the Designated Agent all material latent defects affecting the Property known to the Seller and that the Designated Agent may provide that information to prospective buyers;
- E. That all information provided to the Listing Brokerage and the Designated Agent by the Seller is and will be accurate to the best of the Seller's knowledge;
- F. That the Seller will Immediately advise the Designated Agent of any material changes in the physical condition or status of the Property or the information provided by the Seller;
- G. That the Seller will provide the Designated Agent with all information necessary for the listing and marketing of the Property;
- H. That the Designated Agent is being retained solely to provide real estate services and not as a lawyer, tax advisor, lender, certified appraiser, surveyor, structural engineer, home inspector or other professional service provider; and
- I. That the Property is not currently the subject of any other exclusive listing contract.

11. THE SELLER ACKNOWLEDGES AND AGREES THAT:

- A. The information relating to the Property may be disclosed to persons interested in the Property including prospective buyers, agents of prospective buyers, appraisers, financial institutions, governments and governmental departments and agencies;
- B. The duties set out in Real Estate Services Rule 30 apply only to the Designated Agent and do not apply to any other licensees of the Listing Brokerage who represent buyers or other sellers and, subject to Clauses 9B, 9C and 9D, do not apply to the Listing Brokerage.
- C. The Listing Brokerage or the Designated Agent may provide trading services to, have agency relationships with or be engaged by other sellers, or have agency relationships with or be engaged by buyers, unless doing so would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules;
- D. In the case that the provision of trading services to the Seller contemplated hereby and the provision of trading services to a buyer or another seller constitutes or becomes a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Seller acknowledges and agrees that the Listing Brokerage and the Designated Agent, as applicable, must comply with Real Estate Services Rule 65 and may be required to cease providing certain trading services to the Seller;

	
INITIALS	

244 Island Hwy Victoria V9B 1G3
PROPERTY ADDRESS

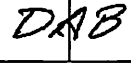
- E. Despite Real Estate Services Rule 30(f), the Listing Brokerage and the Designated Agent will not be required to disclose to the Seller confidential information obtained through any agency relationship; and
- F. A Seller, who is a non-resident of Canada, must comply with the *Income Tax Act* of Canada before the sale of the Seller's property can be completed.

12. CONFLICTS OF INTEREST:

- A. If the Designated Agent's provision of trading services to the Seller in respect of the Property and a buyer with whom the Designated Agent has an agency relationship would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Designated Agent may request consent from the Seller and such buyer to continue to represent either the Seller or such buyer in respect of the Property and terminate their agency relationship with the other party. In such case, the Designated Agent will present such buyer and the Seller with a written agreement in compliance with Section 65 of the Real Estate Services Rules (the "Consent Agreement"). Notwithstanding anything else in this Contract, if the Seller and such buyer consent to the Designated Agent continuing to act for one of them, and terminating the agency relationship with the other, in respect of the Property and they execute the Consent Agreement, the parties hereto agree as follows:
 - (i) if the Designated Agent ceases to act as agent of such buyer, the Seller acknowledges and agrees that the Designated Agent may otherwise in the future act as agent for such buyer in respect of property other than the Property;
 - (ii) if the Designated Agent ceases to act as agent of the Seller in respect of the Property, subject to Part 5 of the Real Estate Services Rules, the Listing Brokerage may designate another licensee of the Listing Brokerage to act as the Designated Agent of the Seller hereunder or if the Listing Brokerage is unable to or does not designate another licensee of the Listing Brokerage, the Listing Brokerage may refer the Seller to another brokerage for representation in respect of the Property; provided that, the Seller will not be obligated to accept such referral; and
 - (iii) if the Designated Agent ceases to act as the agent of the Seller in respect of the Property, the parties acknowledge that:
 - (a) the Designated Agent's agency with the Seller will terminate and the Designated Agent will no longer have any duties to the Seller as agent of the Seller, whether under this Contract, under the Real Estate Services Rules (other than their duties of confidentiality under Rule 30(e)) or otherwise; and
 - (b) the Listing Brokerage and the Designated Agent will be permitted by the terms of the Consent Agreement and the Real Estate Services Rules to continue to represent such buyer.

13. COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:

- A. The Seller hereby consents to the collection, use and disclosure by the Listing Brokerage and by the managing broker(s), associate broker(s) and representative(s) of the Listing Brokerage (collectively the "Licensee") noted below, the Board and any other real estate board, of personal information about the Seller:
 - (i) for all purposes consistent with the listing, marketing and selling of the Property;
 - (ii) for placement in the database of the Multiple Listing Service® of the Board and of any other real estate board that the Listing Brokerage selects and has access to;
 - (iii) for the purpose of the Board and other real estate boards marketing the Property in any medium including but not limited to posting the personal information on publicly accessible websites and distributing the personal information to any persons including the public, members of the Board, members of other real estate boards governments and governmental departments and agencies, appraisers and others;

	
INITIALS	

244 Island

Hwy

Victoria

V9B 1G3

PROPERTY ADDRESS

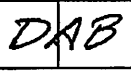
- (iv) for compilation, retention and publication by the Board and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of the Board and other real estate boards;
 - (v) for enforcing codes of professional conduct and ethics for members of the Board and other real estate boards;
 - (vi) for all other purposes authorized in this Contract including but not limited to those described in Clauses 1B, 4A, 4B, 8B and 11A; and
 - (vi) for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.
- B. The personal information provided by the Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

14. TERMINATION: The Listing Brokerage and the Seller agree that:

- A. Without prejudice to the acquired rights of the Seller or the Listing Brokerage, including without limitation the rights and obligations under Clause 5, this Contract will terminate:
 - (i) upon the expiration of the term of this Contract as specified in Clause 1A;
 - (ii) upon an earlier date than that specified in Clause 1A if mutually agreed to by the Seller and the Listing Brokerage in writing;
 - (iii) upon a completed sale of the Property prior to the expiration of the term of this Contract;
 - (iv) immediately if the Listing Brokerage's licence is suspended, cancelled or rendered inoperative under the *Real Estate Services Act*;
 - (v) upon the bankruptcy or insolvency of the Listing Brokerage or if it is in receivership; and
 - (vi) if the Listing Brokerage and the Designated Agent are unable to continue to provide trading services to the Seller as a result of Part 5 of the Real Estate Services Rules.
- B. Immediately upon the termination of this Contract the Listing Brokerage and the Designated Agent will:
 - (i) remove the Property as an active listing of the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage has selected;
 - (ii) cease all marketing activities on behalf of the Seller;
 - (iii) remove all signs from the Property; and
 - (iv) if requested by the Seller, return all documents and other materials provided by the Seller.

15. MISCELLANEOUS PROVISIONS:

- A. "Sale" includes an exchange and "sale price" includes the value of property exchanged.
- B. The "term" of this Contract includes the period of any written extension.
- C. Interpretation of this Contract and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
- D. The parties acknowledge that this Contract fully sets out the terms of the agreement between them.
- E. This Contract shall be binding upon and benefit not only the parties but also their respective heirs, executors, administrators, successors and assigns.
- F. "Property" may include a leasehold interest, a business and the goodwill and assets of it, an interest, partnership or share in a business or in the goodwill and assets of it, or a manufactured home, plus any other property designated by the Seller in the Data Input Form or addendum attached.
- G. In consideration of the Board or any other real estate board disseminating information about the Property, the Seller and Listing Brokerage each assign to the Board or other real estate board all their rights and interests in and to the information related to the Property contained in this Contract, including all copyright, rights ancillary to copyright and all other proprietary rights.

	
INITIALS	

244 Island

Hwy

Victoria

V9B 1G3

PROPERTY ADDRESS

16. COUNTERPARTS: The parties agree that this Listing Contract and any amendments or attachments thereto may be executed in counterparts by the parties and delivered originally or by facsimile, email, or other means of electronic transmission. Each such counterpart when so executed and delivered is deemed to be an original and all such counterparts of a relevant document taken together shall constitute one and the same relevant document as though the signatures of all the parties were upon the same document.

17. ENTIRE AGREEMENT - THIS LISTING CONTRACT MEANS AND INCLUDES THIS AGREEMENT AND THE SELLER'S PROPERTY DISCLOSURE STATEMENT (WHEN ATTACHED AND SIGNED BY THE SELLER): Seller acknowledges having read and understood this Contract; that it accurately describes the agreement with the Listing Brokerage; and that a copy of it has been received by the Seller this date. Where the Seller is comprised of more than one party, the obligations under this Contract of each and every party comprising the Seller shall be joint and several.

SIGNED, SEALED & DELIVERED THIS _____ DAY OF 07/16/2025 YR. 2025.

The Seller declares their residency:

RESIDENT OF CANADA

	
INITIALS	

NON-RESIDENT OF CANADA

INITIALS	

as defined under the *Income Tax Act*.

 
SELLER'S SIGNATURE McEown & Associates Ltd


SELLER'S SIGNATURE _____


SELLER'S SIGNATURE _____

WITNESS _____

WITNESS _____

WITNESS _____


PER: MANAGING BROKER'S SIGNATURE/AUTHORIZED SIGNATORY
AY Victoria Realty Ltd.
LISTING BROKERAGE (PRINT)


DESIGNATED AGENT'S SIGNATURE
Dave Bornhold Personal Real Estate Corporation
DESIGNATED AGENT'S NAME (PRINT NAME)

*PREC represents Personal Real Estate Corporation

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

BC2040 REV. NOV 2023

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244 Island Hwy Victoria V9B 1G3
PROPERTY ADDRESS

MULTIPLE LISTING CONTRACT SCHEDULE "A"

The Brokerage agrees to post the listing to the MLS system, Avison Young's national platform and syndication that the listing Brokerage has access to.

Section 5 (D)

- (i) The total commission payable for a market transaction is 1.75 % of the sale price of the property plus GST
- (ii) If there is a Cooperating Brokerage on the buyer's side of the transaction, a fee of 0.75% of the sale price of the property plus GST will be payable to the Cooperating Brokerage and the Listing Brokerage shall retain 1.0% of the commission referenced in 5(D)(i)
- (iii) If there is no Cooperating Brokerage the Listing Brokerage shall retain 1.75% of the sale price of the property plus GST.

Notwithstanding Section 5(D) above, should the Stocking Horse bid, as referenced in the Supreme Court of British Columbia file number VIC-S-H247963, be the winning bid and purchaser of the Property, the commission shall be reduced to \$20,000 plus GST payable to the Listing Brokerage and there shall be no further commission due to any other brokerage.

****The definition of the "Property" shall include the assignment or other disposition of the Petitioner's interest in the form of Mortgage registered on 2023-08-03 under number CB804318****

	
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INITIALS

SCHEDULE "B" TO MULTIPLE LISTING CONTRACT

**MCEOWN AND ASSOCIATES LTD., SOLELY IN ITS CAPACITY AS
COURT APPOINTED RECEIVER OF 1270858 B.C. LTD., AND NOT IN
ITS PERSONAL OR ANY OTHER CAPACITY**

and

AY VICTORIA REALTY LTD., Dave Bornhold PREC as the Designated Agent

This is Schedule "B" to the attached Multiple Listing Contract (the "**Listing Agreement**") for 244 Island Hwy., Victoria, BC, Parcel ID: 031-302-777 (the "**Property**").

Notwithstanding any term or condition of the Listing Agreement, on accepting the Listing Agreement, the parties hereto agree as follows:

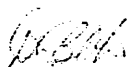
1. The following terms replace, modify and, where applicable override the terms of the Listing Agreement. Where a conflict arises between the terms of this Schedule "A" and the Listing Agreement, the terms of this schedule will apply.
2. All references to the "Seller" or "Vendor" will be read as references to McEown and Associates Ltd., solely in its capacity as Court appointed Receiver of 1270858 B.C. Ltd., and not in its personal or any other capacity ("**McEown & Associates**").
3. All offers to purchase the Property will only be accepted subject to the approval of the Supreme Court of British Columbia (the "**Court**") in foreclosure proceedings under Action No. H-247963 (the "**Proceedings**").
4. No commission shall be payable by the Seller to the listing agent unless both of the following events occur:
 - a. a legally enforceable contract of purchase and sale between the Seller and a buyer is entered; and
 - b. any such sale is approved by the Court and completes.
5. Notwithstanding that the Listing Agreement indicates that a commission shall be payable to the listing agent calculated according to a fixed percentage, the amount of commission is subject to Court approval and the Seller shall not be obligated to pay any commission to the listing agent that is not ultimately approved by the Court.
6. In the event that:
 - a. the Property is acquired by 5450 Realty Inc.; or
 - b. the Property is acquired by the TLA Group of Holdings Companies Inc., Christopher Bradley, Troy David Grant, Sterling Living Limited Partnership, TRI Skyview

DAB

Development Group Limited Partnership (a "Related Buyer"), or any other entity in which a Related Buyer has a direct or indirect financial interest,

then the commission payable to the listing agent shall be reduced to \$20,000 plus applicable GST.

7. This Listing Agreement will automatically terminate with no commission being payable if:
- a. the Court orders that McEown & Associates is not entitled to sell the Property and/or another person, party, or corporation obtains conduct of sale of the Property by order of the Court;
 - b. McEown and Associates' appointment as Receiver of 1270858 B.C. Ltd. is terminated for any reason or is found to be invalid;
 - c. the mortgage on title to the Property which is subject to the Proceedings (the "Mortgage") is redeemed pursuant to the terms of an order nisi of foreclosure; or
 - d. the Mortgage is otherwise reinstated or redeemed as may be permitted by the Court.



AY VICTORIA REALTY LTD., by its authorized signatory

Dave Bornhold

Print name

**MCEOWN AND ASSOCIATES LTD., SOLELY IN
ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 1270858 B.C. LTD., AND NOT IN ITS
PERSONAL OR ANY OTHER CAPACITY, by its
authorized signatory**



John McEown, President

binder

Final Audit Report

2025-07-16

Created:	2025-07-16
By:	dave bornhold (dave.bornhold@avisonyoung.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAqQAf4bP_3Pr6Nov5QsO_BHmuLchMnedD

"binder" History

-  Document created by dave bornhold (dave.bornhold@avisonyoung.com)
2025-07-16 - 11:11:03 PM GMT- IP address: 184.66.224.123
-  Document emailed to Johnny Cassidy (jc@mceownassociates.ca) for signature
2025-07-16 - 11:11:12 PM GMT
-  Email viewed by Johnny Cassidy (jc@mceownassociates.ca)
2025-07-16 - 11:15:46 PM GMT- IP address: 64.46.61.36
-  Document e-signed by Johnny Cassidy (jc@mceownassociates.ca)
Signature Date: 2025-07-16 - 11:31:05 PM GMT - Time Source: server- IP address: 64.46.61.36
-  Agreement completed.
2025-07-16 - 11:31:05 PM GMT

Appendix "D"

**AVISON
YOUNG**

AY Victoria Realty Ltd.
888 View Street
Victoria, BC V8W 1K2
T 250 382 3400
avisonyoung.com



August 15, 2025

Watson Goepel
Suite 1200 – 1075 W. Georgia St.
Vancouver, BC V6E 3C9

Attn: Jeremy West

RE: Court Ordered Sale – Summary of Marketing Efforts - 244 Island Highway, View Royal, BC – Supreme Court of British Columbia order No. VIC-S-H247963

Following is a summary of marketing efforts and results regarding the above noted property.

Listed the Subject Property

- Avison Young (AY Victoria Realty Ltd.) signed the listing agreement with the receiver on July 16, 2025 for sale at \$19,115,000 and listed the property publicly that same day.

Work Undertaken to Date

- The property was listed publicly on www.avisonyoung.com website platform on July 16, 2025 - this has generated 396 page views since.
- The property was publicly listed on Realtor.ca through the Victoria Real Estate Board (VREB) and the Vancouver Island Real Estate Board (VIREB) on July 16, 2025 - this has generated 376 agent views since.
- Prepared a marketing brochure for the subject property, a copy of which is included in Schedule A to this report.
- Installed signage on site, a image showing the signage location is Included in Schedule A.
- Organized all supplementary information and created the virtual data room via Sharefile – to date 14 individuals were granted access to the data room on behalf of 5 buyer groups.
- Email marketing campaign was conducted on July 17 with 287 confirmed deliveries to registered Avison Young subscribers. 135 unique opens are confirmed reflecting a strong 47% open rate.
- Emailed marketing material to targeted not-for-profit housing groups including BC Housing, Pacifica Housing, and Cool Aid Society.
- Conducted 3 physical tours.
- Fielded phone calls and emails from approximately 40 different individuals including realtors and individuals from the community.
- Promoted the property at every opportunity.



Feedback Received

- Several sophisticated buyers communicated a similar message. The sentiment was that the current downward pressure on residential lease rates for new construction, longer CMHC timelines, and higher interest rates meant that multifamily market was softening and purchase prices were expected to continue their decline. The feedback from these parties suggested a purchase price of \$16,500,000 - \$17,000,000 was more appropriate for this asset.
- The not-for-profit groups expressed a strong desire to acquire properties of this nature, especially due to the vacant possession characteristics. However, their funding model timelines would exclude them from competing for the property due to the deadline.
- Nearly all inquiries were from groups that felt there was an opportunity to acquire the property at a deep discount. Once the court order was explained with the Stalking Horse bid, all buyers understood that this was not an opportunity for a predatory acquisition.
- In general, most groups found the property to be appealing due to its location, diverse suite mix and the opportunity for vacant possession of all suites.

Offer Summary

- An offer was received by the receiver's lawyer on August 13, 2025. The purchaser is the Government of Canada (Department of National Defense). This purchaser expressed the greatest level of interest in the property with tours that included 9 government employees. In addition, a building inspector conducted a complete review of the building on behalf of this buyer on August 5, 2025.

Please let us know if there are any questions or concerns

Yours truly,

Dave Bornhold
Senior Vice President
AY Victoria Realty Ltd.

**AVISON
YOUNG**

SCHEDULE A
Brochure

**AVISON
YOUNG**

For Sale

244 Island Highway, Victoria BC
Court Ordered Sale



The Skyview is a 37 unit 4 storey multi-family building located in View Royal. The property is newly constructed and offered with vacant possession.

Centrally located in the Capital Regional District on the Island Highway corridor between Helmcken Road and Admirals Road.

Dave Bornhold
Personal Real Estate Corporation
Senior Vice President
250.686.2988
dave.bornhold@avisonyoung.com



FOR SALE

244 Island Highway, Victoria BC

Property Summary

MUNICIPAL ADDRESS
244 Island Highway, Victoria BC

LEGAL DESCRIPTION
LOT 1, Section 3, Esquimalt District, Plan
EPP108365
PID: 031-302-777

PROPERTY & BUILDING SIZE
20,020 SF / 31,618 SF

ZONING
RM-3, Mixed Residential

YEAR BUILT
2025 – Occupancy June 2025

SUITE MIX

	9 – 1 bedroom
37 total	12 – 1 bedroom + den
	16 – 2 bedroom

APPLIANCES
All units include – fridge, stove, washer, dryer,
dishwasher

HEATING
Electric baseboard, tenant pays

PARKING
47 stalls (37 underground, 10 surface)

NOI/CAP RATE - PROJECTED
\$829,494.00
4.34%

PURCHASE PRICE
\$19,115,000.00

Opportunity

Avison Young is pleased to present the opportunity to acquire a newly completed 37-unit multi-family building, strategically located along the Island Highway corridor in View Royal. Situated between Helmcken Road and Admirals Road, the property offers excellent connectivity via both vehicle and transit routes, providing convenient access throughout the Greater Victoria area.

This rare offering presents a blank slate—ideal for investors seeking control over the lease-up process, or for not-for-profit organizations looking to secure purpose-built housing opportunities in a high-demand area.

Perched on an elevated site, the property overlooks established single-family, multi-family and commercial improvements. The elevation offers sweeping views towards Thetis Lake Park and Portage Inlet.

All units feature modern finishes with private decks, top-floor residences enjoying larger-than-average patios—perfect for tenants seeking indoor-outdoor living in a quiet natural setting.

Suite Type	No. of Units	Size Range
1 bedroom - 1 bath	9	576 - 744 SF
1 bed + den - 1 bath	12	640 - 846 SF
2 bedroom - 2 bath	16	784 - 986 SF

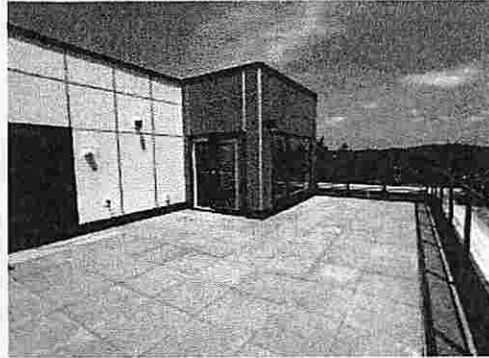
Key Highlights:

- 37 newly constructed residential units
- Prime visibility and accessibility along Island Highway
- Immediate lease-up potential
- Scenic views and outdoor living features
- Close proximity to Victoria General Hospital
- Amenities nearby at Eagle Creek and Admirals Walk
- Two secure bicycle storage rooms in the underground
- Storage locker room for suites on parkade level

**AVISON
YOUNG**

FOR SALE

244 Island Highway, Victoria BC





FOR SALE

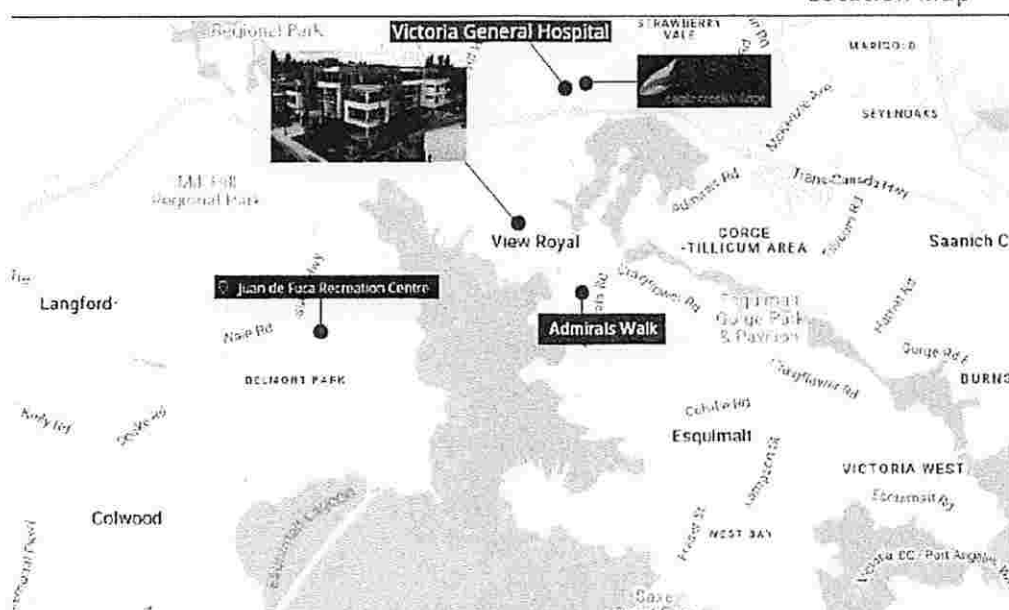
244 Island Highway, Victoria BC

Offering Process

The property is being offered through a court ordered sale process. Qualified parties are invited to review all material in the virtual data room with access granted upon submission of the signed non-disclosure agreement.

All offers are to be submitted no later than 10:00 a.m. August 15th, 2025 in accordance with the court order.

Location Map



Dave Bornhold
Personal Real Estate Corporation
Senior Vice President
250.588.8035
dave.bornhold@avisonyoung.com



avisonyoung.ca

AY Victoria Realty Ltd.
RRR View Street, Victoria BC V8W 1K7, Canada

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**AVISON
YOUNG**

SCHEDULE A – Continued
Property Signage





T 604 688 1301
F 604 688 8193

1200-1075 West Georgia St.
Vancouver, BC V6E 3C9

watsongoepel.com

Jeremy D. West
Direct: 604-642-5684
jwest@watsongoepel.com

Legal Assistant: Samantha Tse
Direct: 604-642-5695
stse@watsongoepel.com

August 15, 2025

File No. 231891-0013

BY EMAIL

BJK Holdings Ltd.
c/o WeirFoulds LLP
4100 – 66 Wellington St. W.
PO Box 35, TD Bank Tower
Toronto, ON M5K 1B7

Attention: Megan Mossip
(mmossip@weirfoulds.com)

Department of Justice Canada
900 – 840 Howe St.,
Vancouver, BC V6Z 2S9

Attention: John Clark
(john.clark@justice.gc.ca)

Dear Sirs/Mesdames:

Re: Auction pursuant to Sale Process order made July 15, 2025 (the "Sale Process Order")

As you are aware, we are counsel for McEown and Associates Ltd. in its capacity as Court Appointed Receiver of 1270858 B.C. Ltd.

We write in respect to the Sale Process Order (a copy of which is attached for your review) and, unless otherwise provided herein, have adopted the definitions contained therein.

Qualified Bids

We confirm that our client has received the following offers for the Property pursuant to the terms of the Sale Process Order:

1. the Stalking Horse Agreement with 5450 Realty Inc. who is represented by WeirFoulds LLP; and
2. a modified Stalking Horse Agreement (the particulars of the modifications will be addressed below) dated August 14, 2025 from His Majesty the King in Right of Canada as represented by the Minister of National Defence who is represented by the Department of Justice (the "Defence Offer").

Deposit

We also confirm that we have received a cheque from the Receiver General of Canada, to be held in trust, for the sum of \$1,050,000 representing the deposit for the Defence Offer.

Qualified Bids

The Receiver has determined that the Defence Offer satisfies the requirements of a Qualified Bid for the purposes of the Sale Process Order. Accordingly, there are now two Qualified Bidders and the Receiver will be proceeding to conduct an Auction for the Property in accordance with paragraph 15 of the Sale Process Order.

Auction Date

Paragraph 15 of Sale Process Order provides for an Auction Date at 10:00 a.m. August 19, 2025, or such later time or place as the Receiver may advise. As discussed with (and agreed to by) counsel for both of the Qualified Bidders, the Receiver has exercised its discretion to reschedule the Auction Date as follows:

<u>Time:</u>	10:00 a.m., Wednesday, August 20, 2025 (PDT)
<u>Location:</u>	Watson Goepel LLP 1200-1075 W. Georgia St. Vancouver, BC

The Sales Process Order also provides for virtual attendance at the Auction. Our office is in the process of scheduling a Zoom meeting and links will be circulated in due course. Each of the Qualified Bidders will be assigned a virtual "break out room" for internal discussions. We would appreciate it if you could provide (to stse@watsongoepel.com) the email addresses for counsel/the representatives of the Qualified Bidders who intend to attend the Auction.

Authorized Representative of the Qualified Bidders

In accordance with paragraph 16(b) of the Sales Process Order, please provide (by 4:00 p.m. Tuesday, August 19, 2025) the name of the individual representative who will be attending the Auction on behalf of the Qualified Bidders with authority to bind.

Notice of Starting Bid

The Receiver has determined that the Defence Offer (a copy of which is attached) is the highest offer for the Property and therefore constitutes the Starting Bid for the Auction.

The Structure of Bids

The Stalking Horse Bid contemplates a share acquisition (by way of Reverse Vesting Order). However, the Defence Offer contemplates an acquisition of real property, by way of Vesting Order. To that end, and in order to comply with the requirements of paragraph 12(a) of the Sale Process Order the Defence Offer has struck the entirety of the form of the Stalking Horse Bid and attached a contract of purchase and sale. As set out above, the Receiver is satisfied that constitutes a Qualified Bid.

The form of the Paragraph 16(a) of the Sales Process Order provides that, "other than the purchase price, no changes to the Starting Bid selected by the Receiver will be permitted."

Although this term could be interpreted to require any further bids to be in the form of the Defence Offer, the Receiver has determined to exercise its discretion (pursuant to paragraph 22 of the Sale Process Order) to allow improved bids to be Submitted in the form of either the Stalking Horse Bid or the Defence Offer. Please note however, that the Receiver will be evaluating improved bids utilizing its reasonable business judgment.

Auction Guidelines

The Receiver is in the process of preparing procedural guidelines for the purposes of the Auction which will be circulated in due course.

In the meantime, if you have any queries in respect to any aspects of this correspondence or the Auction, please feel free to contact the writer.

Yours truly,

WATSON GOEPEL LLP

per:



Jeremy D. West
JDW:st

**Encl. Order Made After Application, entered July 15, 2025;
Defence Offer dated August 14, 2025**



T 604 688 1301
F 604 688 8193

1200-1075 West Georgia St.
Vancouver, BC V6E 3C9

watsongoepel.com

Jeremy D. West
Direct: 604-642-5684
jwest@watsongoepel.com

Legal Assistant: Samantha Tse
Direct: 604-642-5695
stse@watsongoepel.com

August 19, 2025

File No. 231891-0013

BY EMAIL

BJK Holdings Ltd.
c/o WeirFoulds LLP
4100 – 66 Wellington St. W.
PO Box 35, TD Bank Tower
Toronto, ON M5K 1B7

Department of Justice Canada
900 – 840 Howe St.,
Vancouver, BC V6Z 2S9

Attention: John Clark
(john.clark@justice.gc.ca)

Attention: Megan Mossip
(mmossip@weirfoulds.com)

Dear Sirs/Mesdames:

Re: Auction pursuant to Sale Process order made July 15, 2025 (the “Sale Process Order”)

As you are aware, we are counsel for McEown and Associates Ltd. in its capacity as Court Appointed Receiver of 1270858 B.C. Ltd.

We write further to our letter of August 15, 2025 regarding the upcoming Auction pursuant to the Sale Process Order.

Auction Agenda

The Receiver has prepared an Agenda setting out procedural information regarding the conduct of the Auction. A copy of the Agenda is enclosed for your review.

Amending Agreement for Bids

As noted in our letter of August 15, the Receiver has exercised its discretion to allow improved bids to be submitted in the form of either the Stalking Horse Bid or the Defence Offer.

To facilitate the submission of bids at the Auction, the Receiver has prepared draft Amending Agreements to the Stalking Horse Bid and the Defence Offer, pursuant to which the Purchase Price may be amended, while all other terms remain the same.

The Receiver is prepared to accept bids at the Auction in the form of the Amending Agreements, copies of which are enclosed as appendices to the Agenda.

Watson Goepel LLP

August 19, 2025
Page 2

If you have any queries in respect to any aspects of this correspondence or the Auction, please feel free to contact the writer.

Yours truly,

WATSON GOEPEL LLP

per:

A handwritten signature in black ink, appearing to be 'JDW', followed by a horizontal line.

'for'

Jeremy D. West
JDW:st

Encl. Auction Agenda

Appendix I - Amending Agreement to Stalking Horse Bid

Appendix II - Amending Agreement to Defence Offer

No. VIC-S-H-247963
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BJK HOLDINGS LTD.

PETITIONER

AND:

1270858 B.C. LTD.
TLA GROUP OF HOLDING COMPANIES INC.
CHRISTOPHER BRADLEY
TROY DAVID GRANT
STERLING LIVING LIMITED PARTNERSHIP
TRI SKYVIEW DEVELOPMENT GROUP LIMITED PARTNERSHIP
ADDY (815 & 824 SELKIRK AVE.) CORP.
TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP
COBRAFER CONSTRUCTION LTD.
6 MILES CONTRACTING LTD.
FACTUM CORP.

RESPONDENTS

**AGENDA FOR AUCTION
AUGUST 20, 2025**

Re: Sale of 244 Island Highway, Victoria, BC by McEown and Associates Ltd., in its capacity as Court-appointed Receiver of 1270858 B.C. Ltd. pursuant to the Order of the Honourable Justice Veenstra made on July 15, 2025 (the “Sale Process Order”).

Capitalized terms in this Agenda have the same meanings as in the Sale Process Order.

INTRODUCTION (10:00 A.M. – 10:15 A.M.)

1. Confirmation of attendances of the Qualified Bidders and their authorized representatives and legal counsel.
2. Receiver to explain procedural rules of the Auction to the parties.
3. Receiver to confirm the Starting Bid to the parties.
4. Receiver to confirm the forms of bid which will be permitted by the Receiver.

ROUND #1 – BREAKOUT AND BID SUBMISSION (10:15 A.M. – 10:45 A.M.)

5. Representatives of the Qualified Bidders will be placed in separate meeting rooms or separate breakout rooms (if attending by videoconference).
6. Qualified Bidders may, within a 30-minute period of time, submit an Improved Bid to the Receiver by email to:

jwest@watsongoepel.com
tcunningham@watsongoepel.com
stse@watsongoepel.com

7. The Receiver will accept Improved Bids:
 - a. from 5450 Realty Inc. in the form of the Amending Agreement attached hereto as Appendix I; and
 - b. from His Majesty the King in Right of Canada as represented by the Minister of National Defence in the form attached hereto as Appendix II.

ROUND #1 – BID EVALUATION AND DISCLOSURE (10:45 A.M. – 11:00 A.M.)

8. Receiver to evaluate the Starting Bid against any Improved Bids to determine the highest offer for the Property, which will become the Floor Bid for the following round.
9. Receiver will reconvene with the parties to disclose any Improved Bids.
10. If no Improved Bids have been made, the Receiver will declare the Starting Bid the successful bid and the Auction will end.
11. If one or more Improved Bids have been made, the Auction will continue with a subsequent Round.

SUBSEQUENT BIDDING ROUNDS (11:00 A.M. – TBD)

12. Receiver will advise the parties of:
 - a. the Floor Bid for the Round;
 - b. any changes to the set period of time for submitting an Improved Bid¹; and
 - c. any changes to the Auction Minimum Bid Increment for the Round.²

¹ Pursuant to Schedule “B”, paragraph 16(e)(ii) of the Sale Process Order, the Receiver may set the period of time for Qualified Bidders to submit an Improved Bid.

² Pursuant to Schedule “B”, paragraph 16(h) of the Sale Process Order, the Receiver may, in its sole discretion, amend the Auction Minimum Bid Increment.

13. Representatives of the Qualified Bidders and their legal counsel will be placed in separate meeting rooms or separate breakout rooms.
14. Qualified Bidders may, within 30 minutes or such other period of time set by the Receiver, submit an Improved Bid to the Receiver by email to the email addresses noted at item 6 above.
15. The Receiver will evaluate any Improved Bids submitted to determine which is the highest offer for the Property, which will become the Floor Bid for the following round (if any).
16. The Receiver will reconvene with the parties to disclose any Improved Bids.
17. If no Improved Bids have been made, the Receiver will declare the Floor Bid the successful bid and the Auction will end.
18. If an Improved Bid has been made the procedure for subsequent Rounds as described herein will continue until no Improved Bids have been received within the time limit set by the Receiver, at which time the Receiver will identify the successful bid and the Auction will end.

The Receiver reserves the right to introduce such other procedural rules as the Receiver considers to be fair and reasonable in the circumstances, pursuant to Schedule "B", paragraph 16(i) of the Sale Process Order.

Appendix I

AMENDING AGREEMENT

This agreement ("Amending Agreement") is made effective as of the 20th day of August, 2025.

SELLER: 1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver.	BUYER: 5450 REALTY INC.
--	--

(the "Seller")

(the "Buyer")

WHEREAS:

- A. Pursuant to an offer to purchase and contract of purchase and sale dated for June 13th, 2025, as amended (the "**Purchase Agreement**"), the Seller agreed to sell, transfer, assign and convey and the Purchaser agreed to, purchase, acquire and assume, the Purchased Shares (as such term is defined in the Purchase Agreement);

IN CONSIDERATION OF VALUE RECEIVED, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

1. Definitions

Capitalized terms used in this Amending Agreement but not defined in this Amending Agreement shall have the respective meanings given to them in the Purchase Agreement.

2. Purchase Price Amendment

The Purchase Agreement is hereby amended as follows:

- (a) Section 1.1.29 of the Purchase Agreement is hereby amended by deleting the following definition:

"Purchase Price" means the sum of \$18,500,000"

and replacing it with the following definition:

"Purchase Price" means the sum of \$ _____"

3. Further Assurances

Each party will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Amending Agreement.

- 2 -

4. Time of the Essence

Time is and remains of the essence of the Purchase Agreement, as amended by this Amending Agreement.

5. Amendment of Purchase Agreement

This Amending Agreement is hereby declared to be supplemental to the Purchase Agreement, shall form one instrument with the Purchase Agreement and, except as set forth in this Amending Agreement, shall be incorporated into the Purchase Agreement with the same effect as if the amendments to the Purchase Agreement herein contained were set forth in the Purchase Agreement as of the date thereof, and the Purchase Agreement as modified by this Amending Agreement is hereafter referred to as the "Purchase Agreement".

6. Agreement Continues

The Purchase Agreement shall be treated as being modified and amended only to the extent herein provided and all of the covenants, clauses, provisions, conditions, stipulations, powers, matters and things contained in the Purchase Agreement, as herein modified and amended, shall continue to be in full force and effect.

7. Conflict

If there is any conflict between the terms and conditions of this Amending Agreement and the Purchase Agreement, the terms and conditions of this Amending Agreement will prevail.

8. Enurement

This Amending Agreement will enure to the benefit of and bind the parties hereto and their respective administrators, successors and permitted assigns.

9. Counterparts

This Amending Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or by electronic means.

[Remainder of page left blank. Signature page follows.]

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the date first above-mentioned.

1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver.

Print Name:

5450 REALTY INC.
By its authorized signatory:

Print Name:

[Signature Page to Amending Agreement]

Appendix II

AMENDING AGREEMENT

This agreement ("Amending Agreement") is made effective as of the 20th day of August, 2025.

SELLER:

1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver.

BUYER:

HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by the Minister of National Defence

(the "Seller")

(the "Buyer")

WHEREAS:

- A. Pursuant to an agreement of purchase and sale dated for August 13th, 2025, as amended (the "Purchase Agreement"), the Seller agreed to sell, transfer, assign and convey and the Purchaser agreed to, purchase, acquire and assume, the Property (as such term is defined in the Purchase Agreement);

IN CONSIDERATION OF VALUE RECEIVED, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

1. Definitions

Capitalized terms used in this Amending Agreement but not defined in this Amending Agreement shall have the respective meanings given to them in the Purchase Agreement.

2. Purchase Price Amendment

The Purchase Agreement is hereby amended as follows:

- (a) Section 1 of the Purchase Agreement is hereby amended by deleting the following:

"PURCHASE PRICE: The purchase price of the Property will be: \$21,000,000.00 exclusive of GST if applicable (the "Purchase Price").

and replacing it with the following:

"PURCHASE PRICE: The purchase price of the Property will be: \$ _____ exclusive of GST if applicable (the "Purchase Price").

3. Further Assurances

Each party will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Amending Agreement.

- 2 -

4. Time of the Essence

Time is and remains of the essence of the Purchase Agreement, as amended by this Amending Agreement.

5. Amendment of Purchase Agreement

This Amending Agreement is hereby declared to be supplemental to the Purchase Agreement, shall form one instrument with the Purchase Agreement and, except as set forth in this Amending Agreement, shall be incorporated into the Purchase Agreement with the same effect as if the amendments to the Purchase Agreement herein contained were set forth in the Purchase Agreement as of the date thereof, and the Purchase Agreement as modified by this Amending Agreement is hereafter referred to as the "Purchase Agreement".

6. Agreement Continues

The Purchase Agreement shall be treated as being modified and amended only to the extent herein provided and all of the covenants, clauses, provisions, conditions, stipulations, powers, matters and things contained in the Purchase Agreement, as herein modified and amended, shall continue to be in full force and effect.

7. Conflict

If there is any conflict between the terms and conditions of this Amending Agreement and the Purchase Agreement, the terms and conditions of this Amending Agreement will prevail.

8. Enurement

This Amending Agreement will enure to the benefit of and bind the parties hereto and their respective administrators, successors and permitted assigns.

9. Counterparts

This Amending Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or by electronic means.

[Remainder of page left blank. Signature page follows.]

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the date first above-mentioned.

1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver.

Print Name:

HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by the Minister of National Defence by His authorized signatory:

Print Name:

[Signature Page to Amending Agreement]

Appendix "G"

The terms of this Offer to Purchase and Contract of Purchase and sale are there by deleted in their entirety and replaced by Exhibit "A" attached hereto.

~~"OFFER TO PURCHASE AND CONTRACT OF PURCHASE AND SALE AGREEMENT"~~

~~THIS AGREEMENT~~ dated for reference the ____ day of June, 2025 is made

~~BETWEEN:~~

~~5450 REALTY INC.~~

~~(the "Purchaser")~~

~~AND:~~

~~1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver.~~

~~(the "Vendor")~~

~~WHEREAS:~~

- ~~A. By order dated November 8, 2024, (the "Receivership Order") of the Supreme Court of British Columbia (the "Court") made in Supreme Court of British Columbia Action No. VIC-S-H-247963, Victoria Registry (the "Proceedings"), the Vendor was appointed receiver of all the assets, undertakings, and property of 1270858 B.C. Ltd.; and~~
- ~~B. The Purchaser and the Vendor have entered into this Offer to Purchase whereby the Purchaser has agreed to subscribe for, and the Vendor has agreed to issue, the Purchased Shares (as defined herein) on and pursuant to the terms set forth herein.~~

~~1. INTERPRETATION~~

~~1.1. Definitions~~

~~In this Offer to Purchase:~~

- ~~1.1.1. "Books and Records" means the books and records of the Company, including the financial statements, corporate, operations and sales books, records, business reports, plans and projections, the Company's minute book, and all other documents, plans, files, records, assessments, correspondence, and other data and information, financial or otherwise, including all data and information stored on computer-related or other electronic media;~~
- ~~1.1.2. "Buildings" means the buildings and other improvements on the Lands including, without~~

limitation, mechanical and electrical systems;

~~1.1.3. “Business Day” means any day that is not a Saturday, Sunday or statutory holiday in British Columbia;~~

~~1.1.4. “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;~~

~~1.1.5. “Closing” has the meaning set out at Section 8.1;~~

~~1.1.6. “Closing Date” means fifteen (15) days after court approval;~~

~~1.1.7. “Company” means 1270858 B.C. Ltd;~~

~~1.1.8. “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;~~

~~1.1.9. “Credit Bid Consideration” has the meaning set out at Section 2.6.2.~~

~~1.1.10. “Disclosure Statement” means, collectively, the disclosure statement prepared in connection with the Property;~~

~~1.1.11. “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;~~

~~1.1.12. “Equity Interests” means any capital share, capital stock, partnership, membership, joint venture, or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest, or similar rights) of a person;~~

~~1.1.13. “Final Reverse Vesting Order” means the Reverse Vesting Order when it has satisfied the following conditions: (a) it is in full force and effect; (b) it has not been reversed, modified or vacated and is not subject to any stay; and (c) all applicable appeal periods have expired, and any appeals therefrom have been finally disposed of, leaving the Reverse Vesting Order wholly operable;~~

~~1.1.14. “Lands” means the lands and premises in Victoria, British Columbia, legally described in Part 1 of Schedule “A” attached hereto;~~

- ~~1.1.15. "Land Title Office" means the Victoria Land Title Office;~~
- ~~1.1.16. "Lending Agreements" means certain loan agreement dated as of June 7, 2023 among the Company, as borrower, TLA Group of Holdings Companies Inc., Christopher Bradley and Troy David Grant, as guarantors and BJK Holdings Ltd. ("BJK") as lender, as amended by an amending agreement dated August 3rd, 2023, and a forbearance agreement dated April 26, 2024 among the Company, as borrower, and TLA Group of Holdings Companies Inc., Christopher Bradley, Troy David Grant, 1264902 B.C. Ltd., Sterling Living (G.P.) Inc., and 1269354 B.C. Ltd., as guarantors (collectively, the "Guarantors") and BJK, as lender, (collectively, as modified, amended, supplemented, revised, restated and replaced from time to time);~~
- ~~1.1.17. "Lending Agreements Debt" means the aggregate amount owing under the Lending Agreements as of the Closing Date;~~
- ~~1.1.18. "Liability" means, with respect to any person, any liability or obligation of such person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such person;~~
- ~~1.1.19. "Mutual Waiver Date" means 21 days after the completion or termination of the Sales Process or such other date as mutually agreed upon by the parties;~~
- ~~1.1.20. "Notice of Alteration" means, to the extent required, the notice of alteration in respect of the Company's authorized and issued capital to create a new class of shares of the Company, and effect such other changes to the articles of the Company, as required, in order to consummate the transactions pursuant to this Offer to Purchase, such Notice of Alteration to be in form and substance satisfactory to the Purchaser acting reasonably;~~
- ~~1.1.21. "Offer to Purchase" means this Offer to Purchase and Contract of Purchase and Sale Agreement;~~
- ~~1.1.22. "Permitted Encumbrances" means:~~
- ~~1.1.22.1. the notations and encumbrances set forth in Part 2 of Schedule "A" attached hereto; and~~
 - ~~1.1.22.2. any other leases, agreements, liens, charges or encumbrances expressly permitted in writing by the Purchaser;~~
- ~~1.1.23. "Plans and Warranties" all plans, permits, licences or warranties relating to the Property;~~
- ~~1.1.24. "Priority Payable Consideration" has the meaning set out at 2.6.1;~~

~~1.1.25. "Project Deposits" means collectively, all deposits related to the development on the Lands;~~

~~1.1.26. "Project Documents" means:~~

- ~~1.1.26.1. copies of any environmental, building condition, or geotechnical reports or studies;~~
- ~~1.1.26.2. copies of all building permits;~~
- ~~1.1.26.3. copies of plans, specifications, and surveys for and relating to the Property, including mechanical, architectural, or electrical design drawings and building specifications all if in the Vendor's possession;~~
- ~~1.1.26.4. copies of any construction contracts relating to the Buildings;~~
- ~~1.1.26.5. copies of the Disclosure Statement;~~
- ~~1.1.26.6. Traveler's Insurance Escrow Agreement;~~
- ~~1.1.26.7. evidence of the existing insurance relating to the Property;~~
- ~~1.1.26.8. copies of any Plans and Warranties; and~~
- ~~1.1.26.9. copies of the most currently available property assessment and realty tax notices/statements, and utilities invoices for the Lands.~~

~~1.1.27. "Property" means the Lands, the Buildings, the Plans and Warranties, the Project Deposits and the benefit of the Project Documents;~~

~~1.1.28. "Priority Payables" means any amounts owing as of the Closing Date under the receiver's charge approved pursuant to the Receivership Order;~~

~~1.1.29. "Purchase Price" means the sum of \$18,500,000;~~

~~1.1.30. "Purchased Shares" has the meaning set out at Section 2.1.1;~~

~~1.1.31. "Purchaser's Solicitors" means WeirFoulds LLP;~~

~~1.1.32. "Reverse Vesting Order" means a reverse vesting order of the Court, substantially in the form attached hereto as Schedule "B" pursuant to which the Company continues to hold all of its right, title, and interest in the Lands and the Buildings, and all Claims and encumbrances against the Company, including all Claims and encumbrances against the Company's interest in the Lands and the Buildings, and any Excluded Assets or Excluded Liabilities are vested in a new entity incorporated for that purpose;~~

~~1.1.33. "Sales Process" means a sales process order made by the Supreme Court of British Columbia in action number 247963 in the Victoria Registry;~~

~~1.1.34. "Traveler's Insurance Escrow Agreement" means the escrow agreement dated August 3rd, 2023 between Travelers Insurance Company Canada, the Company, and Fasken Martineau Dumoulin LLP; and~~

~~1.1.35. "Vendor's Solicitors" means Watson Goepel LLP.~~

~~1.2 Currency~~

~~All dollar amounts referred to are Canadian dollars.~~

~~1.3. Construction~~

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

~~1.4. Governing Law~~

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

~~2. PURCHASE AND SALE~~

~~2.1. Offer to Purchase~~

~~2.1.1. Upon acceptance and subject to the terms and conditions of this Offer to Purchase, the Vendor shall issue to the Purchaser, and the Purchaser shall subscribe for that number of shares in the capital of the Company from treasury, to be specified by the Purchaser at least 5 days prior to Closing, which shares shall be free and clear of all encumbrances (the "Purchased Shares"). 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.~~

~~2.1.2. Pursuant to the Reverse Vesting Order and, if required, the Notice of Alteration, all Equity Interests of the Company outstanding prior to the issuance of the Purchased Shares, other than the Purchased Shares, shall be cancelled without consideration, and the Purchased Shares shall represent 100% of the outstanding Equity Interests in the Company after such cancellation and issuance.~~

~~2.1.3. For the avoidance of doubt, upon the Closing, the Company will be wholly owned, directly or indirectly, by the Purchaser.~~

~~2.2 Excluded Assets~~

~~Notwithstanding any provision of this Offer to Purchase to the contrary, as of the Closing, the assets of the Company shall not include any of the assets set forth in Schedule "C" hereto (collectively, the "Excluded Assets").~~

2.3 Excluded Contracts

~~Notwithstanding any provision of this Offer to Purchase to the contrary, as of the Closing, the assets of the Company shall not include any of the contracts set forth in Schedule "D" hereto (collectively, the "Excluded Contracts").~~

2.4 Retained Liabilities

~~Pursuant to this Offer to Purchase and the Reverse Vesting Order, as of the Closing Date, the only obligations and Liabilities of the Company shall consist of only the items specifically set forth in Schedule "E" hereto (collectively, the "Retained Liabilities"); provided, for the avoidance of doubt, that the Retained Liabilities of the Company pursuant to this Section 2.5 shall continue to be Liabilities of the Company as of Closing.~~

2.5 Excluded Liabilities

~~Save and except for the Retained Liabilities explicitly set out herein, if any, the Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Vendor (collectively, the "Excluded Liabilities"), which Excluded Liabilities include, but are not limited to, the following:~~

~~2.5.1 all liabilities and Claims arising or accruing from the use of, or in any way related to, the Excluded Assets or the Excluded Contracts; and~~

~~2.5.2 all Liabilities of the Vendor set forth in Schedule "F" hereto.~~

2.6 Purchase Price Allocation

~~The total aggregate consideration payable by the Purchaser for the Purchased Shares shall be allocated as follows:~~

~~2.6.1 first, to the Priority Payables (the "Priority Payable Consideration"), if any; and~~

~~2.6.2 the remainder shall be satisfied by a release of an amount equal to the difference between the Purchase Price and the Priority Payable Consideration, from the total amount outstanding under the Lending Agreements (the "Credit Bid Consideration").~~

2.7 Satisfaction of Purchase Price

~~2.7.1 The Credit Bid Consideration shall be paid and satisfied on the Closing Date by BJK releasing the Company from repayment of all amounts owing in connection with the Credit Bid Consideration. The Guarantors shall not be released from a claim for deficiency unless the Credit Bid Consideration exceeds the amounts owed to BJK under the Lending Agreements.~~

~~2.7.2 The Priority Payable Consideration, if any is outstanding, shall be paid and satisfied on the Closing Date by the Purchaser paying the Priority Payable Consideration to the Vendor.~~

2.3 Termination of Contract

~~This Offer to Purchase may be terminated at the Vendor's sole option if at any time prior to Court approval;~~

~~2.3.1 the Court varies or vacates the Receivership Order to remove or impede the Vendor's ability to market the Lands for sale; or~~

~~2.3.2 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.~~

3. DOCUMENTS AND INSPECTION

3.1 Project Documents and Books and Records

~~The Vendor confirms that it has delivered or made available to the Purchaser copies of the Project Documents and Books and Records, to the extent the Project Documents and Books and Records are in the Vendor's possession. For additional clarity, the Vendor makes no representations or warranties as to the completeness or veracity of the Project Documents or Books and Records. If this Offer to Purchase becomes null and void (including under Section 7.3.1), the Purchaser shall thereupon return or destroy all Project Documents, Books and Records, 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. ADJUSTMENTS AND RELATED MATTERS

4.1 Adjustments

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

5 POSSESSION

5.1 Possession Date

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

6 REPRESENTATIONS AND WARRANTIES

6.1 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 7.2, all necessary authority to complete the transactions herein, including but not limited to the sale of Purchased Shares and to execute and deliver this Offer to Purchase 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.~~

6.2 As Is Where Is

~~The Purchaser acknowledges, covenants, and agrees that:~~

~~6.2.1. except as expressly set forth herein, it is purchasing the Purchased Shares on a strictly "as is, where is" basis;~~

~~6.2.2. 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:~~

~~6.2.2.1. 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;~~

~~6.2.2.2. the development potential or the fitness of the Property for the intended use of it by the Purchaser, and that certain marketing activities have been previously undertaken by a developer pursuant to the Disclosure Statement;~~

~~6.2.2.3. the general condition and state of any improvements, equipment, utilities or other facilities or systems in, on, under or servicing the Property;~~

~~6.2.2.4. the boundaries and dimensions of the Property;~~

~~6.2.2.5. 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;~~

- ~~6.2.3. 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;~~
- ~~6.2.4. 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;~~
- ~~6.2.5. 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 6.2 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 6.2 any and all of which shall, on the Closing Date, be accepted and assumed by the Purchaser;~~
- ~~6.2.6. 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;~~
- ~~6.2.7. 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 Purchased Shares under this Offer to Purchase. Upon completion of the purchase and sale of the Purchased Shares 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;~~
- ~~6.2.8. 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 Purchaser or any other party in any way;~~
- ~~6.2.9. the assets to be purchased under this Offer to Purchase does not include any personal property or chattels, and that any personal property or chattels remaining in the premises on the Property which are taken by the Purchaser, 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;~~

~~6.2.10. there will be no adjustments made to the Purchase Price on account of any tenancies assumed by the Purchaser, including but not limited to adjustments for rents or security deposits;~~

~~6.2.11. the provisions of this Section 6.2 shall survive the Closing.~~

6.3 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:~~

~~6.3.1. the Purchaser has the power, authority and capacity to purchase the Purchased Shares;~~

~~6.3.2. if and only if the Reverse Vesting Order is granted, the execution and delivery of this Offer to Purchase does not conflict with any other agreement binding on the Purchaser and has been and the completion of this Offer to Purchase will have been by the Closing Date duly authorized by all necessary corporate action on the part of the Purchaser; and~~

~~6.3.3. to protect their interests in purchasing the Purchased Shares, the Purchaser acknowledges and agrees that they should attend at the Court hearing in person, virtually, or by agent.~~

7 CONDITIONS PRECEDENT

7.1 Purchaser's Conditions Precedent

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

7.2 Mutual Condition

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

7.3 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 7 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:~~

~~7.3.1. the Mutual Condition is not a condition to there being a binding agreement of purchase and sale between the parties respecting the Purchased Shares; and~~

~~7.3.2. until the time limited for the fulfilment of the Mutual Condition has expired, this Offer to Purchase is not void, voidable, revocable or, except in the case of default, otherwise capable of being terminated by either of the parties.~~

8 CLOSING

8.1 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, or such other location as may be agreed to by the Vendor and Purchaser.~~

8.2 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:~~

~~8.2.1. Court certified copy of the Reverse Vesting Order and any other orders as are necessary;~~

~~8.2.2. letters from the Vendor's Solicitors to the Land Title Survey Authority or other agency as may be required by the Reverse Vesting Order;~~

~~8.2.3. the Purchased Shares;~~

~~8.2.4. evidence of filing the Notice of Alteration, as applicable;~~

~~8.2.5. if applicable, either:~~

~~8.2.5.1. registrable releases of any liens, charges and encumbrances against all or any part of the Property or the Company other than Permitted Encumbrances; or~~

~~8.2.5.2. 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;~~

~~8.2.6. all keys and master keys to all units and facilities of the Property in the Vendor's possession; and~~

~~8.2.7. such other documents as the Vendor's Solicitors may reasonably require to document the sale and purchase contemplated herein.~~

8.3 Purchaser's Closing Documents

~~At the Closing, following delivery into escrow by the Vendor of those documents described in Section 8.2, the Purchaser will execute and deliver to the Purchaser's Solicitors in escrow as hereinafter provided the following:~~

~~8.3.1. an amount payable to the Vendor or as the Vendor may direct by wire transfer or other form of immediately available funds, to satisfy the Purchase Price due on the Closing Date; and~~

~~8.3.2. such other documents as the Purchaser's Solicitors may reasonably require to document the sale and purchase herein.~~

8.4 Form of Documents

~~All documents referred to in Sections 8.2 and 8.3 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 three (3) 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.~~

8.5 Closing Escrow

~~All documents and funds delivered by the Purchaser and the Vendor, except the letter referred to in Section 8.2.2, and any releases delivered pursuant to paragraph 8.2.5.1 shall be held in trust by the Purchaser's Solicitors in the Purchaser's Solicitor's offices until the letter referred to in Section 8.2.2 and any releases delivered pursuant to paragraph 8.2.5.1 have been accepted for registration in the Land Title Office, 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, including discharges, 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.~~

8.6 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:~~

~~8.6.1. deposited with the Purchaser's Solicitors that portion of the Purchase Price not secured by the new mortgage;~~

~~8.6.2. fulfilled all the new mortgagee's conditions for funding except submitting the mortgage for registration; and~~

~~8.6.3. 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.~~

8.7 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.~~

8.8 Break Fee

~~From the date that the Vendor executes this Offer to Purchase, the Vendor agrees to pay the Purchaser a break fee in the amount of \$200,000 (the "Break Fee") in the event that the Vendor decides not to proceed with this Offer to Purchase for any reason whatsoever, including but not limited to the failure to remove the Mutual Condition set out in Section 7.2, and this Offer to Purchase is terminated and becomes null and void. For clarity, the Break Fee will also be payable by the Vendor to the Purchaser in the event that the Vendor receives and accepts a similar offer in accordance with the provisions of the Sales Process or accepts a competing bid for the Purchased Shares.~~

9 GENERAL

9.1 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.~~

9.2 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.~~

9.3 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.~~

9.4 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 Vendor:

~~McEown And Associations Ltd.
744 Hastings Street W, Vancouver
British Columbia, V6C 1A5
Attention:
Email:~~

To Purchaser

~~5450 Realty Inc.
238 22 St N, Lethbridge, AB T1H 3R7
Attention: Russ Zemp
Email: russ.zemp@kirkstire.ca~~

~~or to such other address 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.~~

9.5 Fees and Taxes

~~9.5.1. 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.~~

~~9.5.2. This Section 9.5 shall survive and not merge on Closing.~~

9.6 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.~~

9.7 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.~~

9.8 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.~~

9.9 Assignment

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

~~9.9.1 the Purchaser will deliver written notice to the Vendor of any such assignment along with evidence satisfactory to the Vendor, acting reasonably, of its or its Affiliate's ownership interest in the assignee;~~

~~9.9.2 the Purchaser will remain fully liable to the Vendor for the performance by any such assignee of the obligations of the Purchaser and will not be released from the performance hereof; and~~

~~9.9.3 the assignee enters into an agreement with the Vendor assuming the rights and obligations of the Purchaser.~~

~~Otherwise, the Purchaser may only assign this Offer to Purchase with the prior written consent of the Vendor.~~

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

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

9.10 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.~~

9.11 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.~~

9.12 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:~~

~~9.12.1. for the purposes of any litigation which ensues relating to this Offer to Purchase;~~

~~9.12.2. for the purposes of any reports required to be made by them respectively under any statute or by law;~~

~~9.12.3. for the purpose of dealings with their accountants, lawyers and other professionals in the administration of their respective business; and~~

~~9.12.4. for the purpose of anything required under this Offer to Purchase.~~

9.13 Schedules

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

~~Schedule "A" Legal Description and Permitted Encumbrances~~

~~Schedule "B" Form of Reverse Vesting Order~~

~~Schedule "C" Excluded Assets~~

~~Schedule "D" Excluded Contracts~~

~~Schedule "E" Retained Liabilities~~

~~Schedule "F" Excluded Liabilities~~

~~The Parties acknowledge that as of the date of this Offer to Purchase, the Schedules to this Offer to Purchase are not complete. Such Schedules, where applicable, may be amended or completed by the Purchaser by written notice to the Vendor, up until two (2) days prior to the Closing Date.~~

~~This Offer to Purchase is irrevocable and is open for acceptance by the Vendor 48 hours after court approval of this Agreement 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.~~

~~The Purchaser:~~

~~5450 Realty Inc.~~

~~By: _____
Authorized Signatory~~

~~This Offer to Purchase is accepted by the Vendor this _____, 2025~~

~~The Vendor:~~

**~~McEown And Associations Ltd., solely in
its capacity as receiver of the Property and
not in its personal capacity~~**

~~By: _____
Authorized Signatory~~

~~SCHEDULE A~~

~~PART 1: LEGAL DESCRIPTION~~

~~Lot 1 Section 3 Esquimalt District Plan EPP108365
PID: 031-302-777~~

~~PART 2: PERMITTED ENCUMBRANCES~~

~~M76301 Undersurface Rights Her Majesty the Queen in Right of the Province of British Columbia Inter Alia~~

~~CA6914551 Covenant The Corporation of the Town of View Royal~~

~~CA6914552 Statutory Right of Way The Corporation of the Town of View Royal~~

~~CA9272082 Statutory Right of Way British Columbia Hydro and Power Authority~~

~~CA9272083 Statutory Right of Way Telus Communications Inc.~~

~~CB382881 Statutory Right of Way British Columbia Hydro and Power Authority~~

~~CB382882 Statutory Right of Way Telus Communications Inc.~~

SCHEDULE B**DRAFT ORDER IN A FORM TO BE APPROVED**

SCHEDULE C
EXCLUDED ASSETS

~~To be negotiated by the parties and agreed two (2) business days before to closing~~

SCHEDULE D**EXCLUDED CONTRACTS**

The following purchase agreements related to the Property:

Strata Lot / Suite #	Purchaser(s)	Acceptance Date
SL 3 Suite 103	Sarah Ann Matheson, James Leslie Scott Matheson, and Ann Mary Matheson	October 15, 2022
SL 8 Suite 201	Ehab N. Fadhel	September 20, 2022
SL 11 Suite 204	Mert Baturay	October 16, 2021
SL 12 Suite 205	Nives Janja Kliska	April 16, 2021
SL 13 Suite 206	Sarah Chow and Ross Chow	April 18, 2021
SL 15 Suite 208	Tommy Dang	April 19, 2021
SL 17 Suite 210	JCS Enterprises Inc.	September 5, 2021
SL 19 Suite 301	Hailey Vanessa Hunt	September 15, 2021
SL 24 Suite 306	Jose Antonio Gavidia Alas and Mackenzie Erica Gavidia Alas	April 16, 2021
SL 34 Suite 405	Christian KE Knapp	April 22, 2021

~~Such further contracts as negotiated by the parties and agreed two (2) business days before to closing~~

SCHEDULE E
RETAINED LIABILITIES

~~To be negotiated by the parties and agreed two (2) business days before to closing~~

SCHEDULE F

EXCLUDED LIABILITIES

1. All Claims related to the Certificate of Pending Litigation filed by Addy (815 & 824 Selkirk Ave.) Corp. and Tri-Sterling Developments Limited Partnership (collectively, the "Plaintiffs") under registration no. CB1267832, including without limitation, all civil claims outlined in the proceedings commenced by the Plaintiffs against the Company pursuant to an action commenced in the Supreme Court of British Columbia, Vancouver Registry No. S-242487;
 2. All Claims related to the Claim of Builders Lien filed by Cobrafac Construction Ltd. under registration no. CB1305343;
 3. All Claims related to the Claim of Builders Lien filed by 6 Mile Island Contracting Ltd. under registration no. BB3100841;
 4. All Claims related to the Certificate of Pending Litigation filed by Factum Corp. ("Factum") under registration no. CB1331891, including without limitation, all civil claims outlined in the proceedings commenced by Factum against the Company pursuant to an action commenced in the Supreme Court of British Columbia, New Westminster Registry No. NEW-S-253504;
 5. All Claims related to the Claim of Builders Lien filed by Simco Drywall Ltd. under registration no. WX2194448;
 6. All Claims related to the delay claim submissions from Compass Electric, including the claims detailed Skyeview Delay Claim summary report;
- ~~Subject to final negotiation between the parties to be completed no less than two (2) business days before the Reverse Vesting Order application and expressly subject to Court approval.~~

EXHIBIT "A"**CONTRACT OF PURCHASE AND SALE**

DATE: 13th of August 2025

PARTIES:**SELLER:**

1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver.

BUYER:

HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by the Minister of National Defence

(the "Seller")

(the "Buyer")

PROPERTY:**PID:**

031-302-777

LEGAL

Lot 1 Section 3 Esquimalt District Plan EPP108365

DESCRIPTION:

(referred to herein as the "Property")

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

1. **PURCHASE PRICE:** The purchase price of the Property will be: \$21,000,000.00 exclusive of GST if applicable (the "Purchase Price").
2. **DEPOSIT:**
 - 2.1. The Buyer will pay a deposit (the "Deposit") of \$1,050,000.00 of immediately available funds by certified cheque or bank draft payable to the Seller's Solicitor as a stakeholder, no later than 10:00 A.M. (PDT) August 15th, 2025. The Deposit will not be held in an interest-bearing trust account.
 - 2.2. The Buyer and the Seller irrevocably authorize the Seller's Solicitor to pay the Deposit:
 - (a) to the Seller:
 - (i) on the Completion Date on account of the Purchase Price, if the Seller and the Buyer complete the sale and purchase of the Property on the Completion Date; or

- (ii) upon the default of the Buyer, if the Buyer is in default under this Contract, unless such default is waived in writing by the Seller and the Deposit so paid to the Seller will be absolutely forfeited to the Seller as liquidated damages as the Seller's sole and exclusive remedy and this Contract will terminate forthwith upon such payment being made; or
- (b) to the Buyer:
 - (i) upon the default of the Seller without prejudice to any other right or remedy of the Buyer, if the Seller is in default of its obligation to complete the sale of the Property hereunder, unless such default is waived in writing by the Buyer or the Buyer has elected to complete the purchase of the Property without prejudice to any other right or remedy of the Buyer; or
 - (ii) if the mutual condition precedent set out in section 4.1(a) is not satisfied in the manner and within the time period provided therein.

3. **TERMS AND CONDITIONS:**

- 3.1. The acceptance of this offer by the Seller and any obligation to put this offer before the Supreme Court of British Columbia (the "Court") may be terminated at any time before the Court makes an order approving this sale if:
 - (a) the mortgage charging or formerly charging the Property under registration numbers CB804318 and CB804319 respectively as modified by modifications registered under charge numbers CB1232916 and CB1232917 (collectively, the "Mortgage") and which is the subject of those foreclosure proceedings brought in the Supreme Court of British Columbia, Victoria Registry No. H-247963 (the "Proceedings") is redeemed pursuant to the Proceedings;
 - (b) the Seller elects to accept the arrears due and owing under the Mortgage in order to put the Mortgage in good standing;
 - (c) a subsequent charge holder redeems the Mortgage; or
 - (d) the owner of the Property arranges for refinancing of the Mortgage or their own sale of the Property.

4. **CONDITIONS PRECEDENT:**

- 4.1. **Mutual Conditions Precedent.** The obligation of the Buyer and the Seller to complete the purchase and sale of the Property on the Completion Date are both subject to the following condition precedent being fulfilled within 30 days of the acceptance of this Contract:
 - (a) The Court approving this Contract and the sale of the Property from the Seller to the Buyer.

- 4.2. If the mutual condition precedent in section 4.1(a) is not fulfilled within thirty (30) days of acceptance of this Contract then the Buyer's obligation to purchase the Property and the Seller's obligation to sell the Property pursuant to this Contract will be at an end, the Deposit will be returned to the Buyer.
5. **COMPLETION:** The sale will be completed 20 business days following the Court's approval of this Contract and the transactions contemplated therein.
6. **POSSESSION:** The Buyer will have vacant possession of the Property on the Completion Date by operation of and pursuant to the terms of the Order (as defined below) and the Buyer will assume all tenancies as may exist on the Completion Date and no adjustments, including but not limited to adjustments for rents or security deposits, will be made to the Purchase Price on account of such tenancies
7. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of the Completion Date.
8. **TITLE:** Free and clear of all encumbrances of the parties to the Proceedings and such other parties as are necessary in accordance with a Vesting Order of the Court (the "Order") except: subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and private authorities, existing tenancies, if any, and except as otherwise set out herein.
9. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, wire transfer or Lawyer's/Notary's or real estate brokerage's certified trust cheque.
10. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4pm on the Completion Date.
11. **SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (1) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); and (2) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the *Income Tax Act*.

12. **TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreements to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
13. **BUYER FINANCING:**
 - 13.1. If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the Land Titles Office but only if, before such lodging, the Buyer has:
 - (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage;
 - (b) fulfilled all the new mortgagee's conditions for funding except lodging the new mortgage for registration; and
 - (c) made available to the Seller a lawyer's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the new mortgagee proceeds.
14. **CLEAR TITLE:** If there are existing registered financial charges to be paid under the terms of the Order, the Seller may wait to pay such existing financial charges until immediately after receipt of the Purchase Price, but in this event the Buyer may pay the Purchase Price to the Seller's lawyer in trust, on undertakings to pay those financial charges in accordance with the Order.
15. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title. The Seller will pay all real estate commissions in connection with the sale of the Property as set out in the order for conduct of sale dated December 16, 2024.
16. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.
17. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
18. **REPRESENTATIONS AND WARRANTIES:** The Buyer is purchasing the lands and premises on an "as is - where is" basis as at the Closing Date. The Buyer acknowledges that the Seller has no obligation to maintain the Property (including fixtures) in the condition they may have been prior to the Closing Date contemplated. Further, the Buyer

acknowledges that the Seller will not deliver a property disclosure statement in respect of the Property to the Buyer.

19. **SCHEDULE A:** The parties agree that all terms in Schedule "A" attached to this Contract are incorporated into and form part of this Contract.
20. **ASSIGNMENT:** The Buyer may not assign this Contract or any of its rights, benefits or obligations under this Contract.

[Rest of Page Intentionally Left Blank, Signature Page Follows]

Invoice Rec'd Date:	August 14, 2025
Goods / Service Rec'd Date:	N/A
Goods Order #:	
Name & Initials:	David Thompson THOMPSON DAVID 478
Purchase Order #:	
Commitment #:	H2186AC002-002
Paid on:	
Paid by:	
Invoice Receipt #:	
Account verification performed by:	
<u>CERTIFIED PURSUANT TO SECTION 34 OF THE FAA</u>	
Name & Initial:	David Thompson
Position & Date:	Director General of Portfolio Requirements
Signature:	THOMPSON, DAVID 478
	Digitally signed by THOMPSON, DAVID 478 Date: 2025.08.14 12:50:08 -04'00'

[Signature Page to Contract of Purchase and Sale]

21. **ACCEPTANCE:** The acceptance of this offer by the Seller open for acceptance until 5:00PM August 21st, 2025 and will be pursuant to a receivership order of the Property and not as seller or owner of the Property. The acceptance of this offer by the Seller is subject to the approval of the Court. The Seller is subject to the jurisdiction and discretion of the Court to entertain other offers and to any further orders the Court may make regarding the Property. Given the Seller's position and the Seller's relationship to other parties in the Proceedings, the Seller may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Property. The Seller gives no undertaking to advocate the acceptance of this Contract. In that regard, the Buyer may make its own arrangements to support this Contract in court. The Buyer also acknowledges and agrees that the normal and expected practice of the Court on an application for an Order Approving a Sale, when faced with more than one bid, is to direct all bidders (including the original bidder) to then each submit one final bid in a single round judicial sealed bid auction. The Buyer agrees to this procedure, without limitation in any way, and also acknowledges and agrees that such a sealed bid auction may result in an application to Court for an Order Approving this Contract.

Signed by the parties as of the date on the first page.

1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver

Print Name: _____

HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by the Minister of National Defence by His authorized signatory:

THOMPSON,

DAVID 478

Digitally signed by
THOMPSON, DAVID 478
Date: 2025.08.14 12:50:36
-04'00'

David Thompson, Director General of Portfolio Requirements
Department of National Defence

SCHEDULE "A" TO CONTRACT OF PURCHASE AND SALE

(SALE BY MCEOWN AND ASSOCIATES LTD., SOLELY IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF 1270858 BC LTD., AND NOT IN ITS PERSONAL OR ANY OTHER CAPACITY)

DATE: August 13th, 2025

CONTRACT OF PURCHASE AND SALE RE:

244 Island Highway, Victoria, BC

Parcel ID: 031-302-777

(the "Property")

1. The following terms replace, modify and where applicable override the terms of the attached Contract of Purchase and Sale. Where a conflict arises between the terms of this Schedule and the Contract of Purchase and Sale, the terms of this Schedule shall apply. Notwithstanding any term or condition to this Contract of Purchase and Sale whether contained herein or otherwise, on accepting this Contract of Purchase and Sale the parties hereto agree as follows:

1. All references to the Vendor/Seller in the Contract of Purchase and Sale and in this Schedule mean MCEOWN AND ASSOCIATES LTD. solely in its capacity as court-appointed receiver of the 1270858 BC Ltd. (the "Receiver") pursuant to an order pronounced November 8, 2024 in Supreme Court of British Columbia (the "Court") Action No. H-247963 (the "Proceedings"), and not as vendor or owner. The Buyer acknowledges and agrees that the Receiver acts pursuant to its appointment as receiver of 1270858 BC Ltd., and not in its personal or any other capacity.
2. The Receiver agrees, subject to the other terms of this Contract and Purchase and Sale, to present this Contract of Purchase and Sale to Court for approval and in doing so is not contractually or otherwise liable to any party in any way.
3. The Buyer accepts the Property "as is, where is" as of the Possession Date and saves the Receiver harmless from all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, environmental condition or circumstances and location of the Property, and agrees to accept the Property subject to any outstanding work orders or notices or infractions as to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements.
4. The Buyer acknowledges and agrees that the Receiver makes no representations or warranties whatsoever with respect to the Property. The Buyer acknowledges and agrees that the Buyer has relied entirely upon the Buyer's own inspection and investigation with respect to quantity, quality and value of the Property.

5. With respect to all environmental matters, and without limiting the generality of the foregoing, the Buyer agrees that the Buyer is responsible to satisfy himself/herself/itself, and is relying on the Buyer's own investigations to verify that the level of Contaminants, as hereinafter defined, on or migrating to or from the Property is satisfactory to the Buyer and the environmental condition of the Property is otherwise acceptable. "Contaminants" include, without limitation, any contaminant, pollutant, underground or aboveground tank, asbestos material, urea formaldehyde, deleterious substances, dangerous substance or good, hazardous, corrosive or toxic substance, special waste, waste or any other substance which is now or hereafter regulated under any laws, regulations, bylaws, order or other lawful requirements of any governmental authority having jurisdiction over the Property.
6. The Buyer acknowledges and agrees that the assets to be purchased under the Contract of Purchase and Sale do 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 the Buyer's own risk completely, without representation or warranty of any kind from the Receiver as to the ownership or state of repair of any such personal property or chattels.
7. The Buyer acknowledges and agrees that there will be no adjustments, including but not limited to adjustments for rents or security deposits, made to the purchase price on account of any tenancies assumed by the Buyer.
8. The Receiver is not and will not be liable to the Buyer nor to anyone claiming by, through or under the Buyer for any damages, costs or expenses for damage caused to the Property by the registered owner of the Property or their tenants, guests, assigns, agents or by persons unknown.
9. The acceptance of this offer by the Receiver is pursuant to its appointment as Receiver of the Property, and not as owner of the Property.
10. This Contract of Purchase and Sale is subject to approval by the Supreme Court of British Columbia (the "Court"). Real estate commission in respect of this Contract of Purchase and Sale is to be paid only if the sale completes pursuant to an order of the Court. This condition is for the sole benefit of the Receiver.
11. This Contract of Purchase and Sale may be terminated at the Receiver's sole option if at any time prior to Court approval:
 - a. the Receiver's appointment as receiver of the 1270858 BC Ltd. is terminated for any reason or is found to be invalid;
 - b. the mortgage on title to the Property which is the subject of the Proceedings is redeemed or otherwise reinstated as may be permitted by the Court; or
 - c. the Receiver determines it is not advisable to present this Contract of Purchase and Sale to the Court,

and in such event the Receiver shall have no further obligations or liability to the Buyer under this Contract of Purchase and Sale or otherwise. This condition is for the sole benefit of the Receiver.

12. The Buyer acknowledges and agrees that the Buyer is purchasing title in the Property free and clear of all encumbrances except:
 - a. subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties contained in the original grant or contained in any other grant or disposition from the Crown;
 - b. registered or pending restrictive covenants and rights-of-way in favor of utilities and public authorities;
 - c. existing tenancies, if any; and
 - d. as otherwise set out herein.
13. The Buyer acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Receiver may at its option either terminate or reaffirm this Contract of Purchase and Sale, and in either event the amount paid by the Buyer, including without limitation the Deposit will be absolutely forfeited to the Receiver on account of damages, and not in substitution thereof, without prejudice to the Receiver's other remedies. The Buyer and the Receiver hereby agree to the release of the Deposit and accrued interest thereon to the Receiver, and the Buyer hereby instructs the party holding the Deposit to so release the Deposit together with accrued interest thereon to the Receiver, upon written demand from the Receiver or its counsel confirming that the Buyer has failed or refused to complete the purchase and sale herein contemplated despite the Buyer's conditions having been satisfied or waived.
14. No property condition disclosure statement concerning the Property forms part of this Contract of Purchase and Sale whether or not such a statement is attached to it.
15. The Purchase Price does not include Good and Services Tax or Harmonized Sale Tax, if any. The Buyer is responsible for paying GST or HST (if any).
16. The Receiver may, at its sole discretion, extend the Completion Date by up to 30 days.
17. All funds payable in connection with this Contract of Purchase and Sale will be by wire transfer, bank draft, cash or certified Lawyer's/Notary's trust cheque, and shall be delivered by prepaid courier to the solicitor acting for the Receiver.
18. If the Court approves this Contract of Purchase and Sale, the Order will describe the Buyer exactly as the buyer appears at the upper right on the first page of the Contract of Purchase and Sale, so the Buyer as described at the upper right on the first page of the Contract of

Page 10 of 10

Purchase and Sale will appear as the owner of the Property after completion of the sale. The Receiver will not be bound by any term in the Contract of Purchase and Sale describing the Buyer otherwise, or allowing the Buyer to complete the sale with a different name.

**HIS MAJESTY THE KING IN RIGHT OF
CANADA** as represented by the Minister of
National Defence by His authorized signatory:
THOMPSON Digitally signed by
THOMPSON, DAVID 478
, DAVID 478 Date: 2025.08.14
12:50:48 -04'00'

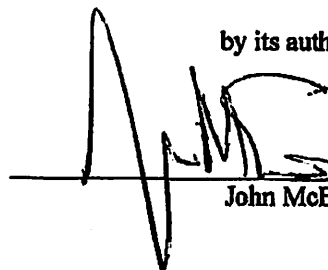
David Thompson, Director General of
Portfolio Requirements
Department of National Defence

JOANIS, Digitally signed by
KRISTINA 174 JOANIS, KRISTINA 174
Date: 2025.08.14
12:55:14 -04'00'

Witness Buyer

MCEOWN AND ASSOCIATES LTD., solely in
its capacity as Receiver of the 1270858 BC Ltd.

by its authorized signatory


John McEown, President

Witness Signature

Appendix II

AMENDING AGREEMENT

This agreement ("Amending Agreement") is made effective as of the 20th day of August, 2025.

SELLER:

1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver.

BUYER:

HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by the Minister of National Defence

(the "Seller")

(the "Buyer")

WHEREAS:

- A. Pursuant to an agreement of purchase and sale dated for August 13th, 2025, as amended (the "Purchase Agreement"), the Seller agreed to sell, transfer, assign and convey and the Purchaser agreed to, purchase, acquire and assume, the Property (as such term is defined in the Purchase Agreement);

IN CONSIDERATION OF VALUE RECEIVED, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

1. Definitions

Capitalized terms used in this Amending Agreement but not defined in this Amending Agreement shall have the respective meanings given to them in the Purchase Agreement.

2. Purchase Price Amendment

The Purchase Agreement is hereby amended as follows:

- (a) Section 1 of the Purchase Agreement is hereby amended by deleting the following:

"PURCHASE PRICE: The purchase price of the Property will be: \$21,000,000.00 exclusive of GST if applicable (the "Purchase Price").

and replacing it with the following:

"PURCHASE PRICE: The purchase price of the Property will be: \$ \$23,370,000 exclusive of GST if applicable (the "Purchase Price").

3. Further Assurances

Each party will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Amending Agreement.

- 2 -

4. Time of the Essence

Time is and remains of the essence of the Purchase Agreement, as amended by this Amending Agreement.

5. Amendment of Purchase Agreement

This Amending Agreement is hereby declared to be supplemental to the Purchase Agreement, shall form one instrument with the Purchase Agreement and, except as set forth in this Amending Agreement, shall be incorporated into the Purchase Agreement with the same effect as if the amendments to the Purchase Agreement herein contained were set forth in the Purchase Agreement as of the date thereof, and the Purchase Agreement as modified by this Amending Agreement is hereafter referred to as the "Purchase Agreement".

6. Agreement Continues

The Purchase Agreement shall be treated as being modified and amended only to the extent herein provided and all of the covenants, clauses, provisions, conditions, stipulations, powers, matters and things contained in the Purchase Agreement, as herein modified and amended, shall continue to be in full force and effect.

7. Conflict

If there is any conflict between the terms and conditions of this Amending Agreement and the Purchase Agreement, the terms and conditions of this Amending Agreement will prevail.

8. Enurement

This Amending Agreement will enure to the benefit of and bind the parties hereto and their respective administrators, successors and permitted assigns.

9. Counterparts

This Amending Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or by electronic means.

[Remainder of page left blank. Signature page follows.]

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the date first above-mentioned.

1270858 B.C. LTD. by McEOWN AND ASSOCIATES LTD. solely in its capacity as court appointed receiver.

Print Name:

John McEown

HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by the Minister of National Defence by His authorized signatory:

THOMPSON, DAVID 478

Digitally signed by THOMPSON, DAVID
478
Date: 2025.08.20 16:37:30 -0400

Print Name: David Thompson

[Signature Page to Amending Agreement]

Appendix "H"

106

TITLE SEARCH PRINT

File Reference: 231891-0013

2025-08-21, 10:00:55

Requestor: Samantha Tse

****CURRENT AND CANCELLED INFORMATION SHOWN****

Title Issued Under	SECTION 137 LAND TITLE ACT
Land Title District Land Title Office	VICTORIA VICTORIA
Title Number From Title Number	CA8728831 CA8548886 CA8548887
Application Received	2021-01-26
Application Entered	2021-02-02
Registered Owner in Fee Simple Registered Owner/Mailing Address:	1270858 B.C. LTD., INC.NO. BC1270858 9701 101A AVE MORINVILLE, AB T8R 0C8
Taxation Authority	View Royal, Town of
Description of Land Parcel Identifier: Legal Description:	031-302-777 LOT 1 SECTION 3 ESQUIMALT DISTRICT PLAN EPP108365
Legal Notations	THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CA7403203
Charges, Liens and Interests Nature: Registration Number: Registered Owner: Remarks:	UNDERSURFACE RIGHTS M76301 HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA INTER ALIA AFB 3.257.3685 AFB 2.623.2543 SECTION 172(3)

TITLE SEARCH PRINT

File Reference: 231891-0013

2025-08-21, 10:00:55

Requestor: Samantha Tse

Nature: COVENANT
 Registration Number: CA6914551
 Registration Date and Time: 2018-07-06 11:12
 Registered Owner: THE CORPORATION OF THE TOWN OF VIEW ROYAL

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6914552
 Registration Date and Time: 2018-07-06 11:12
 Registered Owner: THE CORPORATION OF THE TOWN OF VIEW ROYAL
 Remarks: PART IN PLAN EPP84070

Nature: MORTGAGE
 Registration Number: CA8798860
 Registration Date and Time: 2021-02-25 13:37
 Registered Owner: BANCORP GROWTH MORTGAGE FUND II LTD.
 INCORPORATION NO. BC0856914
 BANCORP FINANCIAL SERVICES INC.
 INCORPORATION NO. BC0712503
 BANCORP BALANCED MORTGAGE FUND II LTD.
 INCORPORATION NO. BC0856913
 AS TO AN UNDIVIDED 5250/10500 INTEREST
 FISGARD CAPITAL CORPORATION
 INCORPORATION NO. C0603095
 AS TO AN UNDIVIDED 4000/10500 INTEREST
 FISGARD CAPITAL II CORPORATION
 INCORPORATION NO. BC1023285
 AS TO AN UNDIVIDED 1250/10500 INTEREST
Cancelled By: CB830224
Cancelled Date: 2023-08-16

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA8798861
 Registration Date and Time: 2021-02-25 13:37
 Registered Owner: BANCORP GROWTH MORTGAGE FUND II LTD.
 INCORPORATION NO. BC0856914
 BANCORP FINANCIAL SERVICES INC.
 INCORPORATION NO. BC0712503
 BANCORP BALANCED MORTGAGE FUND II LTD.
 INCORPORATION NO. BC0856913
 AS TO AN UNDIVIDED 5250/10500 INTEREST
 FISGARD CAPITAL CORPORATION
 INCORPORATION NO. C0603095
 AS TO AN UNDIVIDED 4000/10500 INTEREST
 FISGARD CAPITAL II CORPORATION
 INCORPORATION NO. BC1023285
 AS TO AN UNDIVIDED 1250/10500 INTEREST
Cancelled By: CB830225
Cancelled Date: 2023-08-16

TITLE SEARCH PRINT

File Reference: 231891-0013

2025-08-21, 10:00:55

Requestor: Samantha Tse

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA9272082
 Registration Date and Time: 2021-08-12 16:07
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA9272083
 Registration Date and Time: 2021-08-12 16:07
 Registered Owner: TELUS COMMUNICATIONS INC.

Nature: PRIORITY AGREEMENT
 Registration Number: CA9272084
 Registration Date and Time: 2021-08-12 16:07
 Remarks: GRANTING CA9272082 PRIORITY OVER CA8798860 AND CA8798861
Cancelled By: CB830225
Cancelled Date: 2023-08-16

Nature: PRIORITY AGREEMENT
 Registration Number: CA9272085
 Registration Date and Time: 2021-08-12 16:07
 Remarks: GRANTING CA9272083 PRIORITY OVER CA8798860 AND CA8798861
Cancelled By: CB830225
Cancelled Date: 2023-08-16

Nature: MORTGAGE
 Registration Number: CA9711293
 Registration Date and Time: 2022-02-11 11:32
 Registered Owner: TRAVELERS INSURANCE COMPANY OF CANADA
 INCORPORATION NO. A0064831
Cancelled By: CB827237
Cancelled Date: 2023-08-15

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA9711294
 Registration Date and Time: 2022-02-11 11:32
 Registered Owner: TRAVELERS INSURANCE COMPANY OF CANADA
 INCORPORATION NO. A0064831
Cancelled By: CB827238
Cancelled Date: 2023-08-15

TITLE SEARCH PRINT

File Reference: 231891-0013

2025-08-21, 10:00:55
Requestor: Samantha Tse

Nature: PRIORITY AGREEMENT
 Registration Number: CA9711528
 Registration Date and Time: 2022-02-11 12:20
 Remarks: GRANTING CA8798860 PRIORITY OVER CA9711293 AND CA9711294
Cancelled By: CB827238
Cancelled Date: 2023-08-15

Nature: PRIORITY AGREEMENT
 Registration Number: CA9711529
 Registration Date and Time: 2022-02-11 12:20
 Remarks: GRANTING CA8798861 PRIORITY OVER CA9711293 AND CA9711294
Cancelled By: CB827238
Cancelled Date: 2023-08-15

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB158703
 Registration Date and Time: 2022-08-17 09:26
 Registered Owner: KETZA PACIFIC CONTRACTING LTD.
Cancelled By: CB806187
Cancelled Date: 2023-08-03

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB193927
 Registration Date and Time: 2022-08-31 13:55
 Registered Owner: TWIST CONSTRUCTION LTD.
 INCORPORATION NO. BC1090776
Cancelled By: CB808925
Cancelled Date: 2023-08-04

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB218692
 Registration Date and Time: 2022-09-14 11:27
 Registered Owner: VAN-ISLE COATINGS & SEALANTS LTD.
 INCORPORATION NO. BC0581039
Cancelled By: CB744307
Cancelled Date: 2023-07-10

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB219604
 Registration Date and Time: 2022-09-14 14:26
 Registered Owner: CITADEL ELECTRICAL SYSTEMS LTD.
Cancelled By: CB807939
Cancelled Date: 2023-08-04

TITLE SEARCH PRINT

File Reference: 231891-0013

2025-08-21, 10:00:55

Requestor: Samantha Tse

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB249503
 Registration Date and Time: 2022-09-28 15:44
 Registered Owner: H.I MECHANICAL INC.
 INCORPORATION NO. BC1131595
Cancelled By: CB806762
Cancelled Date: 2023-08-03

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB377312
 Registration Date and Time: 2022-12-08 08:34
 Registered Owner: ALL TYPE DRILLING (2022) LTD.
 INCORPORATION NO. BC1355559
Cancelled By: CB429308
Cancelled Date: 2023-01-13

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CB382881
 Registration Date and Time: 2022-12-12 12:22
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CB382882
 Registration Date and Time: 2022-12-12 12:22
 Registered Owner: TELUS COMMUNICATIONS INC.
 INCORPORATION NO. BC1101218

Nature: PRIORITY AGREEMENT
 Registration Number: CB382883
 Registration Date and Time: 2022-12-12 12:22
 Remarks: GRANTING CB382881 PRIORITY OVER CA8798860,
 CA8798861, CA9711293 AND CA9711294
Cancelled By: CB830225
Cancelled Date: 2023-08-16

Nature: PRIORITY AGREEMENT
 Registration Number: CB382884
 Registration Date and Time: 2022-12-12 12:22
 Remarks: GRANTING CB382882 PRIORITY OVER CA8798860,
 CA8798861, CA9711293 AND CA9711294
Cancelled By: CB830225
Cancelled Date: 2023-08-16

TITLE SEARCH PRINT

File Reference: 231891-0013

2025-08-21, 10:00:55
Requestor: Samantha Tse

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CB462547
 Registration Date and Time: 2023-02-03 15:20
 Registered Owner: KETZA PACIFIC CONTRACTING LTD.
Cancelled By: CB806185
Cancelled Date: 2023-08-03

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CB475824
 Registration Date and Time: 2023-02-14 14:12
 Registered Owner: KETZA PACIFIC CONTRACTING LTD.
Cancelled By: CB806186
Cancelled Date: 2023-08-03

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB496995
 Registration Date and Time: 2023-03-01 08:39
 Registered Owner: ALUMASAFWAY, INC.
 INCORPORATION NO. A0108294
Cancelled By: CB809902
Cancelled Date: 2023-08-08

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CB508529
 Registration Date and Time: 2023-03-08 12:05
 Registered Owner: BANCORP BALANCED MORTGAGE FUND II LTD.
 BANCORP GROWTH MORTGAGE FUND II LTD.
 BANCORP FINANCIAL SERVICES INC.
 FISGARD CAPITAL CORPORATION
 FISGARD CAPITAL II CORPORATION
Cancelled By: CB854455
Cancelled Date: 2023-08-28

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: BB3100276
 Registration Date and Time: 2023-07-24 12:07
 Registered Owner: RYZUK GEOTECHNICAL LTD.
Cancelled By: CB808968
Cancelled Date: 2023-08-04

Nature: MORTGAGE
 Registration Number: CB804318
 Registration Date and Time: 2023-08-03 08:16
 Registered Owner: BJK HOLDINGS LTD.
 Remarks: MODIFIED BY CB1292916

TITLE SEARCH PRINT

File Reference: 231891-0013

2025-08-21, 10:00:55

Requestor: Samantha Tse

Nature: ASSIGNMENT OF RENTS
 Registration Number: CB804319
 Registration Date and Time: 2023-08-03 08:16
 Registered Owner: BJK HOLDINGS LTD.
 Remarks: MODIFIED BY CB1292917

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: HB3496
 Registration Date and Time: 2024-01-11 11:33
 Registered Owner: GHUMAAN CONSTRUCTION LIMITED
Cancelled By: CB1138271
Cancelled Date: 2024-01-29

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB1193249
 Registration Date and Time: 2024-03-04 11:07
 Registered Owner: SATDEOL FRAMING LTD.
Cancelled By: CB1225025
Cancelled Date: 2024-03-23

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CB1267832
 Registration Date and Time: 2024-04-18 11:16
 Registered Owner: ADDY (815 & 824 SELKIRK AVE.) CORP.
 TRI-STERLING DEVELOPMENTS LIMITED PARTNERSHIP
 Remarks: INTER ALIA

Nature: MODIFICATION
 Registration Number: CB1292916
 Registration Date and Time: 2024-05-01 14:27
 Remarks: MODIFICATION OF CB804318

Nature: MODIFICATION
 Registration Number: CB1292917
 Registration Date and Time: 2024-05-01 14:27
 Remarks: MODIFICATION OF CB804319

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CB1305343
 Registration Date and Time: 2024-05-09 10:09
 Registered Owner: COBRAFER CONSTRUCTION LTD.
 INCORPORATION NO. BC1072319

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: BB3100841
 Registration Date and Time: 2024-05-15 11:31
 Registered Owner: 6 MILE ISLAND CONTRACTING LTD.

TITLE SEARCH PRINT

File Reference: 231891-0013

2025-08-21, 10:00:55

Requestor: Samantha Tse

Nature:
Registration Number:
Registration Date and Time:
Registered Owner:

CERTIFICATE OF PENDING LITIGATION
CB1331891
2024-05-24 14:16
FACTUM CORP.
INCORPORATION NO. 2022291823

Nature:
Registration Number:
Registration Date and Time:
Registered Owner:

CLAIM OF BUILDERS LIEN
WX2194448
2024-12-17 09:41
SIMCO DRYWALL LTD.

Duplicate Infeasible Title

NONE OUTSTANDING

Transfers

NONE

Pending Applications

NONE

Corrections

NONE