

Vancouver

04-Jul-23

REGISTRY

Court file No. S1710393  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF ALL CANADIAN INVESTMENT CORPORATION  
(the "Petitioner")

MONITOR'S THIRTY-FIFTH REPORT TO COURT

June 30, 2023

**McEown and Associates Ltd.**

Monitor appointed in the  
Companies' Creditors Arrangement Act proceedings of  
All Canadian Investment Corporation

Suite 110 – 744 West Hastings Street  
Vancouver, B.C. V6C 1A5

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## A. INTRODUCTION

1. This report (the “**Thirty-Fifth Report**”) is filed by McEown and Associates Ltd. (“**McEown**”) in its capacity as monitor (the “**Monitor**”) appointed in a proceeding commenced on November 8, 2017 by All Canadian Investment Corporation (the “**Petitioner**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c.-36, as amended (the “**CCAA Proceedings**”).
2. The purpose of this Thirty-Fifth Report is to provide the Court with the Monitor’s opinion and recommendations regarding a proposed sale of the Petitioner’s shares, and a proposed amendment to the Plan of Arrangement.

**B. DISCLAIMER AND TERMS OF REFERENCE**

3. Except as specified, in preparing this report the Monitor has obtained and relied upon unaudited, draft and/or internal information which has been compiled from the Petitioner's books and records. Where available, the Monitor has reviewed external records and documentation including post-filing banking records, corporate searches and financial statements.
4. Except as otherwise described in this report:
  - a) the Monitor 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; and
  - b) the Monitor 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.
5. This report has been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.

**C. THE PETITIONER'S REMAINING ASSETS**

6. The Monitor is effecting a coordinated wind-up and liquidation of the Petitioner's assets, and distributing the proceeds to stakeholders in accordance with the Plan of Arrangement sanctioned by Order made February 5, 2021.
7. As described in previous reports to the Court, the Monitor has now realized on the majority of the Petitioner's loan portfolio and assets, with the exception of the following:

- a) a personal loan advanced to Michael Lensen, with a total amount due and owing of \$663,617.56 as at May 19, 2020, plus interest at a rate of 12% per annum (the “**Lensen Loan**”).

The Petitioner commenced proceedings against Mr. Lensen. Mr. Lensen has defended the claim, primarily on the basis that the loan was repaid. The Monitor’s review of the Petitioner’s records suggest that the loan was not repaid and the payments relied on by Mr. Lensen were in respect to another facility. As such, the Monitor believes that the claim against Mr. Lensen is a good one.

However, the Petitioner does not have mortgage security securing the Lensen Loan. In addition, the Monitor does not presently have sufficient information relating to the debtor’s financial circumstances to determine the likely extent of recovery in the event that judgment is granted. The Monitor has concerns that significant costs will be expended in pursuing judgment on the Lensen Loan with recovery being uncertain.

- b) a loan advance to Karl Buchmann shortly prior to the commencement of the CCAA proceedings (the “**Buchmann Loan**”). The amount owed to the Petitioner was \$496,709.66 as at December 1, 2022, before legal fees and disbursements.

The Petitioner holds a security registered against a first mortgage registered in favour of Mr. Buchmann over vacant lands located in Salmon Arm, BC (the “**Buchmann Mortgage**”). The Petitioner has brought an application in foreclosure proceedings related to the Buchmann Mortgage for various relief, including:

- i. an order substituting the Petitioner as petitioner in the foreclosure proceedings with respect to the *in-rem* portion or a prior order nisi;

- ii. an order nisi and related relief with respect to the Petitioner's mortgage of the Buchmann Mortgage, including a shortened redemption period and conduct of sale of the subject lands and premises; and
- iii. an order authorizing the Petitioner to execute on the *in personam* judgments issued in Mr. Buchmann's favour in the foreclosure proceedings.

Mr. Buchmann has defended the claim and retained counsel in the latter part of 2022. He claims that the Buchmann Mortgage arose as part of a joint venture arrangement with the Petitioner to secure and develop the lands. He alleges that the Petitioner is in breach of that agreement as a result of which he is not required to repay the funds advanced. The Monitor is of the view that full recovery will ultimately be available on the Buchmann Mortgage however it will inevitably require further professional fees to be incurred and may take a significant period of time to secure judgment and recovery.

- c) the Monitor, with the assistance of another creditor, undertook preliminary inquiries with respect to the potential for recovery after Mr. Peter Censorio was assigned into bankruptcy. The Monitor is of the view that there is limited avenues available for recovery and that it would likely be uneconomic to pursue the matter further, particularly in light of the proposed share transaction described below.
- d) Amount due from AFDI, a related company, that owes the Petitioner approximately \$2,000,000. The Monitor commenced proceedings against AFDI and secured a default judgment. Despite efforts made to realize on the judgment the Monitor has not been successful in recovering any funds for the benefit of stakeholders and the Monitor is of the opinion that it is unlikely that any recovery will be made.

8. Other than the Loan (whose value is incorporated in the purchase price), in the event that the proposed share transaction is approved the balance of the Petitioner's remaining assets will not be available for realization. However, for the reasons set out below, the Monitor is of the view that the economic recovery which the proposed share transaction will provide is significantly greater than would be achieved pursuing the remainder of the assets.
9. On June 13, 2023 the court approved the settlement between the Petitioner and Ronald and Elfrieda Weninger in BC Supreme Court Vancouver Registry Action No. S1910892. The settlement funds have now been received.
10. On June 13, 2023 an order was made, by consent, in BC Supreme Court Vancouver Registry Action No. S1910892 providing for the payment out of court of funds totaling approximately \$2,200,000. The order provides for \$25,000 of those funds to be distributed to the Receiver General. for Canada with the balance to the Monitor for distribution in accordance with the Second Interim Preferred Shareholders Distribution Order made June 13, 2023. The funds have yet to be released by the court but are expected to be distributed to the Monitor in advance of the July 19, 2023 hearing. Attached and marked as **Appendix "A"** is a copy of the order made June 13, 2023 providing for the distribution of funds.

#### **D. PROPOSED SALE OF PETITIONER'S SHARES**

11. In order to effect the Realization of the Petitioner's assets the Monitor was authorized (at paragraph 4.1 of the Plan) to retain such professionals as it deemed necessary to effect the highest possible realization of the Petitioner's Assets.
12. As previously reported in the Monitor's 33<sup>rd</sup> Report, the Monitor retained Ernst & Young Inc. ("EY") to take steps to quantify the potential value of the Petitioner's shares and to identify and assist the Monitor in negotiations with potential purchasers.

13. While the Monitor has some experience in dealing with these types of transactions, it determined that it was in the best interests of stakeholders to seek specialized assistance.
14. Mr. Michael Bell was EY's primary point of contact and worked with the Monitor to pursue the direct or indirect, sale of or an investment in some or all of the assets comprising the Petitioner. Mr. Bell is an experienced insolvency practitioner and has significant experience in the sale of distressed assets. Mr. Bell has sworn an affidavit in these proceedings detailing the steps leading up to the execution of documentation for the proposed sale of the Petitioner's shares.
15. EY identified potential purchasers and solicited two conditional offers for the shares. After preliminary negotiations, the Monitor (with the assistance of EY and counsel for the Petitioner) entered into a conditional Term Sheet for the sale of the shares to the highest bidder, Bosa Properties (OC) Inc., or its nominee (the "Share Transaction"). A copy of the Term Sheet is attached as **Appendix "B"**.
16. After execution of the Term Sheet the potential purchaser retained counsel to carry out due diligence. During the course of that process counsel for the Petitioner and EY provided significant assistance. As part of its engagement, EY also prepared updated draft financial statements for the Petitioner for the financial years ending September 30, 2018 to September 30, 2022. Those attendances come within the scope of EY's engagement which will be described further below.
17. On June 12, 2023 counsel for the potential purchaser advised counsel for the Petitioner that it had completed its due diligence and was prepared to proceed with the transaction. The proposed purchaser subsequently advised the Petitioner that its nominee for the purposes of the transaction was Lighthouse Capital Corporation ("Lighthouse").
18. Following negotiations between counsel for Lighthouse, the Monitor and counsel for the Petitioner, an agreed form of share purchase agreement was prepared (the



- “Share Purchase Agreement”). Attached and marked as **Appendix “C”** is a copy of the form of Share Purchase Agreement agreed to by the parties, which is in the process of being executed.
19. In general terms the Share Purchase Agreement provides for the following:
- a. the cancellation of all of the issued and outstanding common and preferred shares in the Petitioner;
  - b. the Petitioner to allot, issue and deliver 100 fully paid and non-assessable Common shares in the authorized share structure of the Petitioner;
  - c. Lighthouse to subscribe for those shares;
  - d. payment of a \$2,000,000 purchase price;
  - e. the Petitioner to secure an amendment to the Plan and the Sanction Order in a form satisfactory to Lighthouse; and
  - f. court approval.
- (the “Share Purchase Agreement”)
20. The purchase price, of \$2,000,000 is comprised as follows:
- a. \$1,600,000 for the acquisition of the Petitioner’s shares; and
  - b. \$400,000 for Mortgage CA6412099 (the Buchmann mortgage).
21. Given that the Share Transaction materially affects the common shareholders and Preferred Shareholders of the Petitioner the Monitor instructed counsel for the Petitioner to seek directions with respect to service of the application seeking approval of the Share Transaction. By order made June 16, 2023 Justice Walker provided directions as to service of the application. Attached and marked as **Appendix “D”** is a copy of the order made June 16, 2023.
- E. MONITOR’S OPINION ON THE PROPOSED SHARE TRANSACTION**
22. As described earlier, the Share Transaction provides for the cancellation of the Petitioner’s existing securities (both common and preferred shares) and the issuing

of 100 fully paid and non-assessable common shares in the authorized share structure of the Petitioner to Lighthouse.

23. The Monitor is aware of transactions of this nature, and substantially similar, being approved in CCAA proceedings. The common characteristic of those transactions (albeit that some occur by cancellation and reissuing and some occur by vesting order of the existing securities) is that the ownership of the insolvent company transfers to a new shareholder in return for consideration.
24. Typically, a reverse vesting order is utilized for those purposes in order to allow an insolvent company to preserve intangible assets, including non-transferrable tax attributes, and extinguish liabilities.
25. While the Share Transaction does not contemplate a reverse vesting order (because the Petitioner's Creditors have been paid in full under the Plan) it does display some common characteristic. Accordingly, in providing its opinion on the Share Transaction the Monitor has reviewed and considered the factors governing reverse vesting orders established in *Harte Gold Corp. (Re)*, 2022 ONSC 653 and *Arrangement relatif à Blackrock Metals Inc.*, 2022 QCCS 2828..

#### *Necessity of the Share Transaction*

26. The Share Transaction is necessary to preserve the value of the intangible attributes of the Petitioner, which attributes are valued at \$1,600,000 for the purposes of the Share Transaction. The Monitor has been advised by EY that the value of those intangible attributes cannot be transferred and realized under an asset sale.

#### *The proposed structure produces an economic result at least as favourable as any other viable alternative*

27. The proposed Share Transaction will produce more favourable economic result for the remaining stakeholders, the Preferred Shareholders. The Plan presently provides for the Monitor, after realizing on the Petitioner's assets, to assign the Petitioner into bankruptcy. If that occurs then the valuable intangible attributes of

- the Petitioner (which Lighthouse is prepared to pay \$1,600,000 for) will not be realized.
28. In addition, the Share Transaction provides certainty with respect to recovery on the Buchmann Loan. While the value attributed to that asset is discounted from its face value, the Monitor is of the view that the value ascribed to the Buchmann Loan is reasonable given the uncertainty with respect to anticipated professional fees and the timing of recovery.
  29. While the remaining assets of the Petitioner will not be realized, the Monitor is of the view that they may well not prove economic to pursue and the value realized on the Share Transaction is significantly larger than the value of the remaining assets.
  30. The proposed Share Transaction will also expedite the conclusion of the CCAA proceedings and reduce the professional fees which will be incurred to realize on the remaining assets of the Petitioner.
  31. Finally, the Share Transaction is likely to accelerate the timing of distributions to the Preferred Shareholders.

*No stakeholder is worse off under the proposed structure than any other viable alternative*

32. The Monitor is satisfied that no stakeholder is worse off as a result of the Share Transaction than under any other viable alternative for the following reasons:
  - a. the Creditors have already been fully paid, together with interest at the Court-approved rate of 5% per annum;
  - b. the Preferred Shareholders are the only stakeholders who stand to benefit from additional funds realized by proposed Share Transaction and the value of their preferred shares is solely based on the funds realized by the Monitor for distribution. The Share Transaction will increase the amount available;

- c. there is no doubt that there will be a shortfall to the Preferred Shareholders as a result of which, the common shares have no value;
- d. more funds will be realized from the proposed Share Transaction than in an assignment into bankruptcy; and
- e. there are other potential benefits to the Preferred Shareholders from the Share Transaction. The Monitor has been advised by EY that:
  - i. on cancellation of their shares, the Preferred Shareholders may be able to claim a personal loss on their investment; and
  - ii. on cancellation of their shares, Preferred Shareholders that hold their investments in an RRSP and/or RRIF may no longer have to pay annual management fees on those investments.

*The consideration being paid for the shares is reasonable and fair, taking into account their fair market value*

33. The Monitor is satisfied that the consideration being paid for the shares represents fair market value for the following reasons:
- a. the Monitor engaged EY, a reputable accounting firm experienced in distressed asset sales, to assist in marketing the shares and to provide advice on value. Details of EY's attendances are set out in in the Affidavit of Mr. Bell;
  - b. the marketing efforts of EY resulted in two expressions of interest, both of which attributed a relatively similar value to the shares; and
  - c. of the total purchase price, \$400,000 has been attributed to the expected recovery on the Buchmann Loan. The Petitioner has incurred significant legal fees to date in efforts to recover on the Buchmann Loan. The Monitor believes that the further legal fees necessary to collect on this loan could exceed the discount value the Purchaser has attributed to the Buchmann loan.

34. As a result of the Monitor being responsible for realizing the Petitioner's assets, the Monitor was directly involved in, and approved of, the process leading to the proposed Share Transaction.
35. The Preferred Shareholders will be provided notice of the application seeking approval of the Share transaction and the Monitor will be providing this Report to the Preferred Shareholders well in advance of the hearing scheduled for July 19, 2023.

**F. PROPOSED AMENDMENTS TO PLAN AND SANCTION ORDER**

36. In the event that the Share Transaction is approved an amendment to the Plan and Sanction Order will be required. The Share Purchase Agreement specifically addresses the form of Amended and Restated Sanction Order which Lighthouse requires. Sanction order
37. The primary change to the Plan is to allow the Petitioner, after ownership is transferred to Lighthouse, to exit out of the CCAA Proceedings rather than being assigned into bankruptcy.
38. However, the amendments (and the Share Transaction) are consistent with (and will enhance) the original purpose of the Plan being to achieve an efficient and coordinated wind up and liquidation of the Petitioner's Assets so as to realize the greatest possible recovery to the stakeholders.
39. Attached as **Appendix "E"** is a copy of the proposed Amended and Restated Sanction Order with the proposed changes marked. The Monitor supports an amendment in the form proposed.

**G. EY TRANSACTION COMMISSION AGREEMENT**

40. Attached as **Appendix "F"** is a copy of the Transaction Commission Agreement between EY and Monitor.

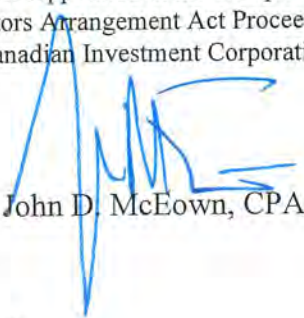
41. In the Monitor's opinion, EY's professional assistance was necessary to effect the highest possible realization of the Petitioner's assets, and the Success Fee is reasonable for the following reasons:
- a. the complexity of marketing and assessing the value of the intangible tax attributes of the Petitioner;
  - b. the experience and specialized services provided by EY were not duplicative of the professional services provided by the Monitor; and
  - c. in the Monitor's opinion, the Success Fee payable under the Transaction Commission Agreement is reasonable, in view of the nature and level of services provided by EY in connection with the Share Transaction, and the additional value expected to be realized as a result of EY's efforts.
42. The Monitor recommends the approval of the Success Fee and the Transaction Commission Agreement.

#### **H. CONCLUSIONS AND RECOMMENDATIONS**

43. The Monitor is of the opinion that the proposed Share Transaction is more beneficial to stakeholders than any other viable alternative, and therefore recommends that the Share Transaction be approved by the Court.

DATED at the City of Vancouver, British Columbia, this 30<sup>th</sup> day of June 2023.

**McEown and Associates Ltd.**  
Monitor Appointed in the Companies'  
Creditors Arrangement Act Proceedings of  
All Canadian Investment Corporation

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

APPENDIX "A"



No. S1710393  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION

**ORDER MADE AFTER APPLICATION**

BEFORE JUSTICE WALKER                     )     THE 13<sup>th</sup> DAY OF JUNE, 2023  
   )  
   )

ON THE APPLICATION of All Canadian Investment Corporation coming on for hearing at Vancouver, British Columbia on the 13<sup>th</sup> day June, 2023 and on hearing Jeremy D. West counsel for the Petitioner, and those other counsel listed on Schedule "A" hereto, AND UPON READING the material filed herein for the purposes of this application;

THIS COURT ORDERS that:

1. Terms and expressions not defined in this Order shall have the meanings attributed to them in the Order of this Court pronounced on November 10, 2017 (as varied from time to time, the "Initial Order").

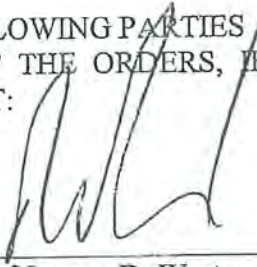
**Approval of Settlement**

2. The Petitioner is authorized to enter into a settlement agreement with the defendants, Ronald Weninger and Elfrieda Weninger, in proceedings commenced in the Vancouver Registry of the Supreme Court of British Columbia, Action No. S1910892, on the terms and conditions set out in the Settlement Agreement and Release described in the Monitor's Thirty Third Report Court.

**Further Interim Distribution to Preferred Shareholders**

3. On receipt of funds from Action No. H180143 the Monitor is authorized and directed to make a further interim distribution to the preferred shareholders (in accordance with the Plan of Arrangement) in the amount of \$2,000,000 (the "Second Interim Preferred Shareholders Distribution").
4. Approval of counsel as to form listed in Schedule "A" hereto, except counsel for the Petitioner, 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 the Petitioner

By the Court.



\_\_\_\_\_  
Registrar





Schedule "A"- List of Counsel Appearing

Jeremy D. West	Counsel for All Canadian Investment Corporation

APPENDIX "D"



No. S1710393  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION

**ORDER MADE AFTER APPLICATION**

BEFORE JUSTICE WALKER

)  
)  
)

THE 16<sup>th</sup> DAY OF JUNE, 2023

ON THE APPLICATION of All Canadian Investment Corporation coming on for hearing at Vancouver, British Columbia on the 16<sup>th</sup> day June, 2023 and on hearing Thomas M. Hanson, counsel for the Petitioner, and those other counsel listed on Schedule "A" hereto, AND UPON READING the material filed herein for the purposes of this application;

THIS COURT ORDERS AND DIRECTS that:

1. The time for service of the Notice of Application is hereby abridged such that the Notice of Application is properly returnable today and service upon any interested party other than those parties on the Service List maintained by the Petitioner and the Monitor in this proceeding is hereby dispensed with.
2. The Petitioner is granted leave to serve an application for approval of the sale of shares of the Petitioner and an amendment of the Plan of Arrangement (the "Approval Application") in the following manner:
  - a. the Petitioner shall email the application materials to the Service List maintained by the Monitor;
  - b. the Monitor shall post the application materials on its website;

- c. the Monitor shall email the application materials to the Petitioner's shareholders (both the common and preferred shareholders) for whom it has an email address; and
- d. The Monitor shall mail, by regular mail, the application materials to the Petitioner's shareholders (both the common and preferred shareholders) for whom it does not have an email address

and such service shall be deemed to be good service of the Approval Application upon the Petitioner's shareholders.

- 3. Approval of counsel listed in Schedule "A" hereto as to form, except counsel for the Petitioner, 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 Thomas M. Hanson  
Counsel for the Petitioner

By the Court.



\_\_\_\_\_  
Registrar

**Schedule "A"- List of Counsel Appearing**

Thomas M. Hanson	Counsel for All Canadian Investment Corporation

APPENDIX "B"

Term Sheet

(All Canadian Investment Corporation)

Buyer:	<b>Bosa Properties (OC) Inc.</b> (as may be assigned as set out in the Formal Agreement, discussed below)
Vendor:	McEown & Associates Ltd. in its capacity as Court Appointed Monitor (the " <b>Monitor</b> ") of All Canadian Investment Corporation (" <b>ACIC</b> ")
Proposed Transaction:	<p>The Buyer will acquire 100% of the shares of ACIC.</p> <p>The purchase price for the shares of ACIC will be paid in connection on an exit from ACIC's CCAA Proceedings.</p> <p>All debts and obligations of ACIC will be discharged and forever barred and the Buyer will acquire all of the equity of ACIC pursuant to a structure to be formalized by the Buyer.</p> <p>The conditions precedent to the Buyer completing the Proposed Transaction are:</p> <ul style="list-style-type: none"> <li>(a) the completion of the Buyer's due diligence investigation, with results satisfactory to the Buyer in its full discretion (including but not limited to investigations into ACIC's financials and tax returns, outstanding loan/mortgage, status/impact of shareholder claims, and decisions to-date by the Court in respect of this matter) – for clarity, the Monitor will provide the Buyer with complete copies of the financial statements and tax returns for ACIC for the most recent year and the three years prior, and any other financial or tax documents of ACIC reasonably requested by the Buyer;</li> <li>(a) the entering into of a form of purchase agreement with the Monitor on behalf of ACIC in a form satisfactory to the Buyer but containing no holdbacks, indemnities or any of the customary representations or warranties in share purchase agreements between arm's length parties, for the acquisition of all of the equity and assets of ACIC for \$2,000,000 (the "<b>Purchase Price</b>"), calculated as \$1,600,000 for the shares of ACIC and \$400,000 for the Mortgage (as defined below), all subject to the provision below;</li> <li>(b) a review and determination of the fair market value of ACIC's loan with Karl Buchmann and its secured Mortgage CA6412099 (the "<b>Mortgage</b>") in the face value amount of \$500,000 (before fees and interest) and there will be a dollar for dollar adjustment to the Purchase Price based on the results of this review, which will take into account, among other things, results of an appraisal, review of its occupation/vacancy, and the impact of the other financial charges secured against Karl Buchman and the registered owner of the real estate property secured by the Mortgage, as may be applicable;</li> <li>(c) the Buyer being satisfied into its investigation into the potential for an ACIC employee/team member to work for the Buyer post-closing</li> </ul>

	<p>on an independent contractor basis for a period of time desired by the Buyer in its discretion, on terms agreed to by such parties; and</p> <p>(d) the transaction being approved by Court Order (in a form of Court Order that is satisfactory to the Buyer).</p> <p>The Vendor will sign all reasonably requested authorizations and consents requested by the Buyer to complete its due diligence and investigation in the clearance and discharge of all debts and obligations of ACIC.</p>
Formal Agreement:	Upon the execution of this Term Sheet, the Buyer shall forthwith, and by no later 45 days, provide the Vendor a Purchase Agreement containing the basic conditions outlined herein. The Buyer will acquire both legal and beneficial interest in the shares of ACIC on its own account and may assign its rights under the Purchase Agreement only to a corporation or partnership controlled by the Buyer. In the event of such permitted assignment the Buyer will remain liable for its obligations hereunder notwithstanding any such assignment.
Closing Date:	The Closing Date shall be the date which falls Fifteen (15) days after Court Approval of the Proposed Transaction and exit from CCAA Proceedings. The Purchase Price will be paid in full to the Vendor or its legal counsel in trust by way of certified funds or bank draft on the Closing Date without deduction. Time will be of the essence in the closing of the Proposed Transaction.
Fees and costs:	Buyer will pay for its professional and due diligence costs associated with the Proposed Transaction.
Termination:	The provisions of this Term Sheet may be terminated: (i) at any time by the Buyer; and (ii) by the Vendor at any time within 60 days of the date of this Term Sheet, if the Buyer has not executed and delivered the Purchase Agreement in the form approved by the Vendor.

We acknowledge the substantive terms of the foregoing are agreed to; however, non-binding and will be drafted into a form of agreement subject to acceptance by each of the parties hereto.

Dated at Vancouver, British Columbia this 24<sup>th</sup> day of March, 2023

**BOSA PROPERTIES (OC) INC.**

Per:



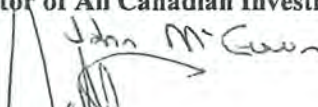
Name: Brett Sandler

Title: CFO

Dated at Vancouver, British Columbia this \_\_\_ day of March, 2023

**McEown & Associated in its capacity as  
Monitor of All Canadian Investment Corporation**

Per:



Name:

Title: Trustee

APPENDIX "C"

SHARE PURCHASE AGREEMENT

(ALL CANADIAN INVESTMENT CORPORATION)

**THIS AGREEMENT** is made the \_\_\_\_ day of \_\_\_\_\_, 2023 between McEown & Associates Ltd. (the "**Monitor**"), solely in its capacity as the court-appointed monitor of All Canadian Investment Corporation ("**ACIC**") and not in its personal capacity (in such capacity, the "**Vendor**") and Lighthouse Capital Corporation (the "**Purchaser**", and together with the Monitor, the "**Parties**", and each a "**Party**").

WHEREAS:

A. ACIC commenced proceedings (the "**CCAA Proceedings**") in the Supreme Court of British Columbia (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and the Court made an initial order on November 10, 2017 (the "**Initial Order**") which, among other things, authorized ACIC to file a plan of compromise or arrangement and appointed Boale Wood & Company ("**BWC**") as monitor pursuant to the CCAA;

B. Pursuant to an Order made November 25, 2019, the administration of the CCAA Proceedings was transferred from BWC to the Monitor;

C. Pursuant to an Order made February 5, 2021, the Court approved and sanctioned an amended plan of arrangement (the "**Amended CCAA Plan**") that, among other things, granted the Monitor sole decision making authority on behalf of ACIC and authorized the Monitor to distribute funds realized in the wind-down of ACIC's business in accordance with the terms and conditions of the Amended CCAA Plan (the "**Sanction Order**");

D. The Parties wish to enter into this Agreement for the issuance of the Purchased Shares (as defined below) on the terms and conditions set out in this Agreement (the "**Sale Transaction**"), including that at Closing all of the issued and outstanding shares of ACIC as of the date of this Agreement will be cancelled for no consideration, and the Purchased Shares will be issued to the Purchaser for the Purchase Price (as defined below); and

E. The Parties wish to enter into this Agreement to conclude the Sale Transaction, consummation of which shall be subject to the Court making orders: (i) approving and sanctioning the Further Amended Plan (as defined below) (the "**Second Sanction Order**"); and (ii) approving this Agreement and the Sale Transaction (the "**Sale Approval Order**").

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**1. SALE OF SHARES**

On and subject to the terms and conditions set forth in this Agreement and pursuant to the Amended CCAA Plan as further amended as set out in this Agreement, at the Closing (as defined below), the Purchaser shall subscribe for and ACIC shall allot, issue and deliver to the Purchaser, 100 Common shares in the authorized share structure of ACIC (the "**Purchased Shares**") as fully paid and non-assessable shares in the authorized share structure of ACIC.

## 2. PURCHASE PRICE

The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Shares is CAD\$2,000,000 (the "**Purchase Price**"). On the Closing Date (as defined below), the Purchaser shall pay the Purchase Price to the Vendor or the Vendor's counsel (in trust for and on behalf of the Vendor), by certified cheque, bank draft or electronic wire transfer.

## 3. DEPOSIT

Within two business days of the execution and delivery of this Agreement, the Purchaser shall pay to the Purchaser's lawyers a deposit equal to 10% of the Purchase Price (the "**Deposit**"). The Deposit shall be held in trust for the benefit of the Vendor pending approval of this Agreement and applied as a credit against the Purchase Price on Closing (as that term is defined in Section 8). If the transaction contemplated by this Agreement does not close as a result of one or more of the conditions set out in Section 8.1.1 or Section 8.1.3 not being satisfied or waived, then the Deposit shall be returned to the Purchaser. If the transaction contemplated by this Agreement does not close as a result of the failure of the Purchaser to fulfill any of its other obligations under this Agreement, then the Deposit shall be absolutely forfeited and released to the Vendor as liquidated damages.

## 4. REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor represents and warrants to the Purchaser as of the date hereof as follows:

- (a) Due Authorization. The Monitor has been appointed as the monitor of ACIC in the CCAA Proceedings and has authority pursuant to the Sanction Order to realize ACIC's assets, and the Sanction Order is in full force and effect as of the date of this Agreement. Subject to the Court issuing the Second Sanction Order, the Vendor has due and sufficient right and authority to enter into this Agreement on the terms and conditions set forth in this Agreement and to perform its obligations under this Agreement.
- (b) Purchased Shares. The Purchased Shares, when issued, will be validly issued, fully paid, non-assessable and free and clear of any claims, pledges, charges, liens or encumbrances.

## 5. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendor as of the date hereof as follows:

- (a) Incorporation and Power. The Purchaser is a corporation duly incorporated under the laws of its jurisdiction of incorporation or formation and is duly organized, validly existing and in good standing under such laws. The Purchaser has the corporate power and capacity to enter into this Agreement and to carry out the transactions contemplated hereby.
- (b) Due Authorization. The execution and delivery of this Agreement and such other agreements and instruments as are referred to herein and the completion of the Sale Transaction and such other agreements and instruments have been duly authorized by all necessary action on the part of the Purchaser. The Purchaser has due and sufficient



right and authority to enter into this Agreement on the terms and conditions set forth in this Agreement and to perform its obligations under this Agreement.

- (c) Consents and Approvals. Other than the Second Sanction Order and the Sale Approval Order, no consent or approval of any person is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement.

The representations, warranties, covenants and agreements of the Purchaser contained in this Agreement and in any document or certificate given under this Agreement survive the closing of the transactions contemplated by this Agreement.

## 6. COVENANTS

Promptly following the execution and delivery of this Agreement, the Vendor shall use all commercially reasonable efforts to:

- (a) obtain the Second Sanction Order approving and sanctioning a further amendment to the CCAA Plan in substantially the form attached as Schedule A (the "**Further Amended CCAA Plan**");
- (b) obtain the Sale Approval Order in substantially the form attached as Schedule B; and
- (c) take, or cause to be taken, all such other actions necessary or appropriate to consummate the Sale Transaction .

## 7. CLOSING DELIVERABLES OF THE VENDOR

On or before the Closing Date, the Vendor will execute and deliver, or cause to be executed and delivered, to the Purchaser:

- (a) an entered copy of the Second Sanction Order;
- (b) an entered copy of the Sale Approval Order;
- (c) a duly executed share certificate or notice of uncertificated shares representing the Purchased Shares registered in the name of the Purchaser; and
- (d) all other documents required to be delivered by the Vendor on or prior to the Closing Date pursuant to this Agreement or applicable law or as reasonably requested by the Purchaser in good faith.

## 8. CLOSING

The Parties' obligations to effect the Sale Transaction ("**Closing**") are subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:

### 8.1.1 Conditions for the Benefit of the Purchaser

- (a) the Vendor shall have executed and delivered to the Purchaser all of the documents and other instruments set out in Section 7.

### 8.1.2 Conditions for the Benefit of the Vendor

- (a) the Purchaser shall have deposited the Purchase Price with the Vendor or the Vendor's counsel (in trust for and on behalf of the Vendor) in accordance with Section 2.

### 8.1.3 Conditions for the Benefit of the Purchaser and the Vendor

- (a) no action or proceeding (including the appeal of, motion to vary, stay or vacate or motion for leave to appeal the Second Sanction Order or the Sale Approval Order) will be outstanding, pending, threatened by any party to challenge the Second Sanction Order, the Sale Approval Order, or to otherwise enjoin, restrict or to prohibit the Sale Transaction;
- (b) the Second Sanction Order will be a final order made by the Court, in a form satisfactory to both Parties acting reasonably; and
- (c) the Sale Approval Order will be a final order made by the Court, in a form satisfactory to both Parties acting reasonably.

The Closing shall occur on the date (the “**Closing Date**”) that is two business days following the date on which each of the conditions set forth in Section 8.1.1, Section 8.1.2 and Section 8.1.3 have been satisfied or waived (other than those conditions that cannot, by their nature, be satisfied or waived until the Closing, but subject to the satisfaction or waiver of those conditions at the Closing).

## 9. TERMINATION

- (a) This Agreement may be terminated at any time prior to Closing by either the Purchaser or the Vendor (as applicable) if the conditions for the benefit of the Purchaser or the Vendor (as applicable) pursuant to the provisions of Section 8.1.1, Section 8.1.2 and Section 8.1.3 are not satisfied or waived by or on July 31, 2023 or such later date agreed to in writing by the Parties; provided, that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement to use its best efforts to cause the conditions set forth in Section 8.1.1, Section 8.1.2 and Section 8.1.3 to be satisfied.
- (b) Notwithstanding Section 9(a), this Agreement may be terminated at any time prior to the Closing by mutual written consent of the Parties.

## 10. MISCELLANEOUS

- 9.1 No Assignment. This Agreement may not be assigned in whole or in part by either Party without the express, prior written consent of the other Party, which consent shall not be unreasonably withheld.
- 9.2 Notice. Any communication to be made under this Agreement shall be made in writing and, except as required or permitted by applicable law, shall be made by e-mail, fax or letter.

The Vendor's address for notice is:

c/o Watson Goepel LLP  
1200 – 1075 West Georgia,  
Vancouver, British Columbia

V6E 3C9

Attention: Jeremy West/Cameron Funnell

Email: jwest@watsongoepel.com/cfunnell@watsongoepel.com  
(with copies to the Vendor at jm@mceownassociates.ca)

The Purchaser's address for notice is:

c/o Borden Ladner Gervais LLP

1200 Waterfront Centre

200 Burrard Street

Vancouver, British Columbia

V7X 1T2

Attention: Andrew Hennigar

Email: ahennigar@blg.com

(with copies Chris Ferronato, cferronato@bosaproperties.com)

Except as specified by applicable law, any communication shall be effective when received if during business hours or on the next business day if received outside of business hours.

- 9.3 Enurement. This Agreement shall enure to the benefit of and shall be binding upon each of the Parties hereto and each of their successors and permitted assigns.
- 9.4 Further Assurances. Each Party will promptly execute and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement.
- 9.5 Governing Law. This Agreement shall be construed under and governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to conflict of laws. The Parties irrevocably attorn to the jurisdiction of the courts of British Columbia, and the venue for any actions arising out of this Agreement will be Vancouver, British Columbia.
- 9.6 Entire Agreement. This Agreement and all documents contemplated by or delivered under or in connection with this Agreement, constitute the entire agreement between the Parties with respect to the subject matter of this Agreement and supersede all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings whether written or oral, express or implied, statutory or otherwise.
- 9.7 Counterparts. This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in one or more counterparts and by email transmission with the same force and effect as if all Parties noted as a signatory thereto had signed and delivered an original copy of the same document. All counterparts when delivered or sent by email shall be deemed to be an original and all of which together shall constitute one and the same document.

*[Signature page follows]*

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

**Lighthouse Capital Corporation**, by its  
authorized signatory,

---

Name:

Title:

**McEown & Associates Ltd.**, in its capacity as  
the court-appointed monitor of All Canadian  
Investment Corporation, and not in its personal  
capacity, by its authorized signatory,

---

Name:

Title:

APPENDIX "D"



No. S1710393  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION

**ORDER MADE AFTER APPLICATION**

BEFORE JUSTICE WALKER                    )     THE 16<sup>th</sup> DAY OF JUNE, 2023  
  )  
  )

ON THE APPLICATION of All Canadian Investment Corporation coming on for hearing at Vancouver, British Columbia on the 16<sup>th</sup> day June, 2023 and on hearing Thomas M. Hanson, counsel for the Petitioner, and those other counsel listed on Schedule "A" hereto, AND UPON READING the material filed herein for the purposes of this application;

THIS COURT ORDERS AND DIRECTS that:

1. The time for service of the Notice of Application is hereby abridged such that the Notice of Application is properly returnable today and service upon any interested party other than those parties on the Service List maintained by the Petitioner and the Monitor in this proceeding is hereby dispensed with.
2. The Petitioner is granted leave to serve an application for approval of the sale of shares of the Petitioner and an amendment of the Plan of Arrangement (the "Approval Application") in the following manner:
  - a. the Petitioner shall email the application materials to the Service List maintained by the Monitor;
  - b. the Monitor shall post the application materials on its website;

- c. the Monitor shall email the application materials to the Petitioner's shareholders (both the common and preferred shareholders) for whom it has an email address; and
- d. The Monitor shall mail, by regular mail, the application materials to the Petitioner's shareholders (both the common and preferred shareholders) for whom it does not have an email address

and such service shall be deemed to be good service of the Approval Application upon the Petitioner's shareholders.

- 3. Approval of counsel listed in Schedule "A" hereto as to form, except counsel for the Petitioner, 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 Thomas M. Hanson  
Counsel for the Petitioner

By the Court.



\_\_\_\_\_  
Registrar

**Schedule "A"- List of Counsel Appearing**

Thomas M. Hanson	Counsel for All Canadian Investment Corporation

# APPENDIX "E"

No. S1710393  
Vancouver Registry

## IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION

### ORDER MADE AFTER APPLICATION (~~SANCTION ORDER~~)

#### (Amended and Restated Sanction Order and Transaction Approval Order)

BEFORE THE ~~HONOURABLE~~HONOURABLE ) THE ~~5<sup>TH</sup>~~19<sup>th</sup> DAY OF  
JUSTICE WALKER ) ~~FEBRUARY, 2021~~JULY 2023  
)

ON THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia on the ~~13<sup>th</sup>~~19<sup>th</sup> day of ~~January 2021 and the 5<sup>th</sup> day of February 2021~~July 2023 and on hearing Jeremy D. West, counsel for the Petitioner, All Canadian Investment Corporation, and those other counsel listed on **Schedule "A"** hereto AND UPON READING the material filed herein for the purposes of this application;

THIS COURT ORDERS that:

1. The time for service of the Notice of Application is hereby abridged such that the Notice of Application is properly returnable today and service upon any interested party other than those parties on the Service List maintained by the Petitioner and the Monitor in this proceeding is hereby dispensed with.



## DEFINITIONS

2. All capitalized terms not otherwise defined in this ~~Sanction~~ Order shall have the meanings ascribed to them in the Plan conditionally approved by the order of Mr. Justice Walker pronounced November 18, 2019 and subsequently amended by [this order and](#) the orders of Mr. Justice Walker pronounced May 21, 2020, November 3, 2020 and February 5, 2021 ~~a copy of which~~. [The Plan, as amended by this Order,](#) is attached and marked **Schedule "B"**.
3. Terms and expressions not defined in this ~~Sanction~~ Order and the Plan shall have the meanings attributed to them in the Order of this Court pronounced on November 10, 2017 (as varied from time to time, the "**Initial Order**").

## THE STAY

4. ~~The stay of proceedings is hereby extended from January 22, 2021 to the Stay Termination Date, as provided for in the Plan.~~

## APPROVAL OF TRANSACTION

4. The Monitor, in its capacity as the court-appointed monitor of the Petitioner and pursuant to the Order made February 5, 2021 in these proceedings, be and is hereby authorized to enter into the Purchase Agreement with Lighthouse Capital Corporation, entered into effective as of June , 2023 (the "**Agreement**"), and the transactions contemplated by the Agreement be and are approved.
5. On the Closing Date (as defined in the Agreement), and upon the Monitor: (a) having funds in trust representing the purchase price under the Agreement; and (b) being advised by the Petitioner that the transactions contemplated by the Agreement have completed, the Monitor is authorized and directed to file with the Court in the CCAA proceedings the Transaction Implementation Certificate in substantially the form attached as **Schedule "C"**.

## APPROVAL OF THE TRANSACTION COMMISSION AGREEMENT

6. The Monitor, in its capacity as the court-appointed monitor of the Petitioner and pursuant to the Order made February 5, 2021 in these proceedings, be and is hereby authorized to enter into the agreement dated January 5, 2023 with Ernst & Young Inc. for the purposes of securing the Agreement (the "**Transaction Commission Agreement**").
7. On the Closing Date (as defined in the Agreement), and upon the Monitor: (a) having funds in trust representing the purchase price under the Agreement; (b) being advised by the Petitioner that the transactions contemplated by the Agreement has completed; and (c) having filed with the Court in the CCAA proceedings the Transaction Implementation Certificate, the Monitor is authorized and directed to release the commission payment due and owing under the Transaction Commission Agreement.

## THE MEETING

- ~~5.8.~~ ~~There has been~~ The Meeting has been duly convened and held in conformity with the Companies Creditors Arrangement Act, R.S.C. 1985 c.C-36, and all applicable orders made in these proceedings, including good and sufficient service and delivery to all Creditors of the Meeting Materials.
- ~~6.~~ ~~The Meeting was held and convened in conformity with the CCAA and the Meeting Order.~~
- ~~7.9.~~ The Resolution has been voted on and the Plan approved by the Required Majority in conformity with the CCAA-, and no further Meeting is required in respect of the amendments in Schedule B.
10. The Claims of the Creditors have been paid in full as contemplated by the Plan.

## SANCTION OF THE AMENDED PLAN

- ~~8.11.~~ The Petitioner has complied with the provisions of the CCAA and all the Orders pronounced in these proceedings.
- ~~9.12.~~ The Petitioner has not done or purported to do anything that is not authorized by the CCAA.
- ~~10.13.~~ ~~The Plan~~ The Plan be and is amended by this Order in the form attached as Schedule B and the transactions contemplated thereby are procedurally and substantively fair, reasonable, not oppressive, and are in the best interests of the Petitioner and the Persons affected by the Plan: (the "Amended Plan").
- ~~11.14.~~ The Amended Plan, as attached in Schedule B, is hereby finally and absolutely sanctioned and approved pursuant to the provisions of the CCAA and the Amended Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby shall be binding and effective in accordance with the provisions of the Amended Plan, and shall enure to the benefit of the Petitioner, the Released Parties, the Creditors, and all other Persons named or referred to in, affected by, or subject to the Amended Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

## PLAN IMPLEMENTATION

~~12.~~15. Notwithstanding the terms of the Initial Order or the terms of any other Order, the Petitioner is hereby authorized and directed to take all actions necessary or appropriate, in each case consistent with the terms of the Amended Plan, to enter into, adopt, execute, deliver, implement and consummate the contracts, instruments, releases, and all other agreements or documents, to be created or which are to come into effect in connection with the Amended Plan and all matters contemplated under the Amended Plan involving any corporate action of the Petitioner, or on behalf of the Petitioner. All such actions are hereby approved and will occur and be effective in accordance with the Amended Plan, the Sanction Order made February 5, 2021 and this ~~Sanction~~ Order in all respects for all purposes without any requirement of further action by the Directors and Officers and any other Person affected by the Amended Plan. Further, to the extent not previously given, all necessary approvals to take such actions are hereby deemed to have been obtained from the Creditors, the Directors and Officers, and any other Persons, as applicable.

~~13.~~16. The Monitor is hereby authorized and directed to take all steps and actions and to do all things required to facilitate the implementation of the Amended Plan in accordance with its terms and, where necessary or appropriate to do so, to enter into, execute, deliver, implement and consummate all of the steps, transactions, certificates and agreements contemplated by the Amended Plan.

17. Without limiting the generality of paragraphs 15 and 16, the Petitioner and Monitor be and are authorized to take such steps as are necessary to complete the Agreement including, but not limited to:

issuing 100 Common shares in the authorized share structure of the Petitioner to be allotted and delivered to Lighthouse in accordance with the terms of the Share Purchase Agreement (the "Purchased Shares"); and

a. concurrently, and without the need for any further action by the Petitioner, or any of its shareholders, directors or officers, cancelling all other issued and outstanding securities of the Petitioner (but, for clarity, excluding the Purchased Shares), including without limitation any common or preferred shares in the Petitioner, and all certificates formerly representing any such securities shall be deemed to be cancelled and shall be null and void as at the date of cancellation.

## COMPROMISE OF CLAIMS AND EFFECT OF PLAN

~~14. — After the Plan Implementation Date:~~

18. Effective the Closing Date (as defined in the Agreement) and upon filing of the Transaction Implementation Certificate (the "Transaction Implementation Date"):

- a. any and all Claims shall be forever discharged, extinguished, released and compromised and the ability of any Creditor to proceed against the Petitioner, in respect of, or relating to, any Claim shall be forever discharged, extinguished, released and restrained, and all proceedings with respect to, in connection with or relating to such Claims are hereby stayed, subject only to the rights of the Creditors to receive distributions in respect of their Claims, as determined in accordance with the [Amended Plan, the Sanction Order made February 5, 2021](#) and this ~~Sanction~~ Order;
- b. the [Amended](#) Plan and all associated steps, compromises, transactions, arrangements, assignments, discharges, waivers, releases and injunctions effected by the [Amended](#) Plan (including but not limited to those in Article 4.4 of the [Amended](#) Plan) and the restructuring effected thereby, are hereby approved, binding and effective as set out in the [Amended](#) Plan upon the Petitioner, the Released Parties, all Creditors, and all other Persons affected by the [Amended](#) Plan; and
- c. any and all Persons shall be and are hereby stayed from commencing, taking, applying for, issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any of the Released Parties in respect of any Claims and any matter which is released pursuant to ~~this~~the Sanction Order [made February 5, 2021, this Order](#) and the [Amended](#) Plan.

~~15.19.~~ The determination of Claims and Proven Claims in accordance with the Claims Process Order, the Meeting Order and the [Amended](#) Plan, as applicable, shall be final and binding on the Petitioner, the Creditors and all other Persons affected by the Claims Process Order, the Meeting Order and the [Amended](#) Plan.

~~16.20.~~ Without limiting the provisions of the Claims Process Order, the Meeting Order or the [Amended](#) Plan, a Creditor that did not file a Proof of Claim by the Claims Bar Date or otherwise in accordance with the provisions of the Claims Process Order, the Meeting Order and the [Amended](#) Plan, whether or not such Creditor received notice of the Claims Process established by the Claims Process Order, shall be and is hereby forever barred from making any Claim against the Petitioner, such Creditor shall not be entitled to any distribution or compensation in relation to the [Amended](#) Plan and such Creditor's Claim shall be and is hereby forever barred and extinguished. Nothing in the [Amended](#) Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Process Order, the Meeting Order, the [Amended](#) Plan ~~or this, the~~ Sanction [Order made February 5, 2021 or this](#) Order.

~~17.21.~~ Each Creditor is hereby deemed to have consented and agreed to all of the

provisions of the Amended Plan in its entirety and each Creditor is hereby deemed to have executed and delivered to the Petitioner all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Amended Plan in its entirety.

#### DISTRIBUTIONS UNDER THE AMENDED PLAN

~~18.22.~~ This Court declares that notwithstanding the issuance of Transaction Implementation Certificate and the occurrence of the Transaction Implementation Date, the Distributable Cash will be paid to an account held by the Monitor and distributed in accordance with section 4 of the Amended Plan.

~~19.23.~~ All distributions paid to Creditors and the Preferred Shareholders under the Amended Plan are for the account of the Petitioner and the fulfillment of the Petitioner's obligations under the Amended Plan.

#### NON-TERMINATED CONTRACTS AND FURTHER PROCEEDINGS

~~20.24.~~ Subject to the performance of the Petitioner of their obligations under the Amended Plan, all obligations, contracts, agreements, leases or other arrangements to which the Petitioner is a party as at the PlanTransaction Implementation Date, shall be and remain in full force and effect, unamended, as at the PlanTransaction Implementation Date, unless disclaimed or resiliated by the Petitioner prior to the PlanTransaction Implementation Date, and no party to any such obligation or agreement shall, on or following the PlanTransaction Implementation Date, and no party to any such obligation or agreement shall, on or following the PlanTransaction Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement by reason:

- a. of any event which occurred prior to, and not continuing after, the PlanTransaction Implementation Date or which is or continues to be suspended or waived under the Amended Plan, which would have entitled any other party thereto to enforce those rights or remedies;
- b. that the Petitioner has sought or obtained relief or has taken steps as part of the Amended Plan or under the CCAA;
- c. of any default or event of default arising as a result of the financial condition or insolvency of the Petitioner;
- d. of the effect upon the Petitioner of the completion of any of the transactions contemplated under Amended Plan; and
- e. any compromises, settlements, restructurings and releases effected pursuant to the Amended Plan.

~~21.25.~~ As of Effective the Plan Transaction Implementation Date, the commencement or prosecution, whether directly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgments, or other remedy or recovery with respect to any indebtedness, liability, obligation or cause of action released, discharged or terminated pursuant to the Amended Plan, is permanently enjoined and the Petitioner is absolutely released and discharged from all indebtedness, liabilities, and any other obligations arising in respect of the Claims.

~~22.~~ ~~All CCAA Claims shall continue to be in full force and effect as against the Petitioner until obligations secured thereby are either: (i) paid out in full; or (ii) otherwise secured, satisfied or arranged on terms acceptable to the Petitioner and the beneficiaries of the CCAA Claims; and in either such event the applicable CCAA Claim shall immediately thereupon be discharged without the need for any further order of the Court or action on the part of any Person.~~

26. Effective as of the Transaction Implementation Date, all CCAA Claims shall be discharged as against the Petitioner but shall remain recoverable from the Distributable Cash.

#### THE MONITOR

~~23.27.~~ After the Plan Implementation Date, the Monitor shall be discharged and released from its duties in relation to the Petitioner, other than those obligations, duties and responsibilities necessary or required to give effect to the terms of the Amended Plan, the Claims Process Order, the Sanction Order made February 5, 2021 and this ~~Sanction~~ Order.

~~24.28.~~ The actions and conduct of the Monitor in the CCAA Proceedings in relation to the Petitioner are hereby approved and the protections afforded to the Monitor pursuant to the Initial Order are hereby extended and, in addition to these rights and protections and those rights and protections afforded to the Monitor under the CCAA and the Amended Plan, the Monitor shall incur no liability or obligation whatsoever as a result of its appointment, or the carrying out of its duties or obligations in the CCAA Proceedings in relation to the Petitioner, including the discharge of its duties or obligations under the Amended Plan and the implementation thereof, save and except any claim or liability arising out of fraud, willful misconduct or gross negligence on the part of the Monitor.

~~25.29.~~ No action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor in the CCAA Proceedings in relation to the Petitioner except with prior leave pursuant to an order of the Court made in the CCAA Proceedings on prior written notice to the Monitor, and such further order may provide security for costs, including if the Court so determines, the full costs and disbursements of the Monitor in connection with any proposed action or proceeding.

~~26.30.~~ Following the Plan Implementation Date, and upon the Monitor: (a) having ~~funds~~

~~in trust in an amount sufficient to satisfy~~ satisfied the distributions payable to the Creditors pursuant to the Amended Plan; and (b) is being ~~advised by the~~ Petitioner ~~satisfied~~ that the Transactions have completed, is authorized and directed to file with the Court in the CCAA Proceedings the Monitor's Implementation Certificate in substantially in the form attached hereto as **Schedule "CD"**.

~~27. Upon the Monitor filing the Monitor's Implementation Certificate in the CCAA, the Monitor is hereby authorized and directed to assign the Petitioner into bankruptcy and to execute all documents on behalf of the Petitioner in relation to such assignment, with McEown and Associates Ltd. being appointed trustee of the bankruptcy estate.~~

31. Paragraph 27 of the Sanction Order made February 5, 2021 be and is deleted.

~~28.~~32. Upon completion by the Monitor of its duties pursuant to the CCAA, the Amended Plan and all applicable Orders. the Monitor is authorized and directed to apply for an order of final discharge and taxation from the Court.

#### **DISCHARGE OF THE PETITIONER FROM CCAA PROCEEDINGS**

~~29.~~33. After the Plan Transaction Implementation Date, the Petitioner ~~shall~~shall be discharged and released from the CCAA Proceedings, provided that the Monitor's powers and functions with respect to the resolution and administration of any unresolved Claims, making distributions under the Amended Plan and completing its obligations relating to the Amended Plan shall continue.

#### **AID AND RECOGNITION OF THIS ~~SANCTION~~ ORDER**

~~30.~~34. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunals, regulatory or administrative bodies to act in aid of and to be complementary to the Court in carrying out the terms of this ~~Sanction~~ Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner and to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this ~~Sanction~~ Order.

**MISCELLANIOUS**

~~31.35.~~ Without limiting any other term of this ~~Sanction~~-Order, all Persons named in the Amended Plan are hereby authorized and directed to perform their functions and fulfil their obligations as provided for in the Amended Plan in order to facilitate the implementation of the Amended Plan.

~~32.36.~~ The Petitioners, the Monitor, and any other interested parties are hereby granted leave to apply to the Court for any directions or determination required to resolve any matter or dispute relating to the Amended Plan, this ~~Sanction~~ Order or the subject matter thereof and the rights and benefits thereunder, provided that no provision of this ~~Sanction~~-Order shall be construed to modify or impair any right, title, interest, privilege or remedy expressly provided for or reserved under the Amended Plan.

**APPROVAL**

~~33.37.~~ Endorsement of this ~~Sanction~~ Order by counsel appearing on this application other than counsel for the Petitioner 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 the Petitioner

By the Court.

\_\_\_\_\_  
Registrar



**Schedule "A" – List of Counsel Appearing**

Jeremy D. West	Counsel for All Canadian Investment Corporation
Douglas H. Hyndman	Counsel for the Monitor
Peter Reardon	Counsel for James Hancock and 1083163 Alberta Ltd.

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**Schedule “B” – Plan of Arrangement**

No. S1710393  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION

**AMENDED PLAN OF ARRANGEMENT**

Conditionally approved by order of Mr. Justice Walker pronounced November 18, 2019 and  
subsequently amended by the orders of Mr. Justice Walker pronounced May 21, 2020,  
November 3, 2020 ~~and~~, February 5, 2021 and July 19, 2023.

## 1. INTERPRETATION

### 1.1 Headings

The headings appearing in this Plan have been inserted for convenience of reference only and in no way define, limit, or enlarge the scope or meaning of the provisions of this Plan. All references to any Persons will be read with such changes in number and gender as the context or reference requires.

### 1.2 Section References and Terms

The terms "this Plan", "hereof", "herein", "hereby", "hereto", and similar terms refer to this Plan, including the Schedules hereto and any amendments hereto, and not to any particular clause, clause, or other part of this Plan. References to particular clauses are to clauses of this Plan unless another document is specified.

### 1.3 Statutory References

Unless otherwise specified, each reference herein to a statute is deemed to be a reference to that statute and to the regulations made under that statute as amended or re-enacted from time to time.

### 1.4 Dates and Time

- 1.4.1 All dates and times expressed in this Plan refer to local time in Vancouver, British Columbia, unless otherwise stated.
- 1.4.2 If this Plan requires any Person to take any action on a day that is not a Business Day, that Person shall be required to complete that action on the following Business Day. Any action taken after 5:00 p.m. on a Business Day or on any day that is not a Business Day will be deemed to have occurred on the following Business Day.

### 1.5 Definitions

In this Plan, unless otherwise stated, the following words and phrases shall have the respective meanings set out below, and grammatical variations of such words and phrases shall have corresponding meanings:

- 1.5.1 "**Administration Charge**" means the charge created in the Initial Order in favour of the Monitor, the Monitor's legal counsel and the Petitioner's legal counsel as amended by subsequent Order.
- 1.5.2 "**Applicable Law**" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law

(zoning or otherwise) or Order (in all cases having the force of law) that applies in whole or in part to such Person, property, transaction or event.

- 1.5.3 "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- 1.5.4 "**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.
- 1.5.5 "**CCAA Claims**" means, collectively, all Claims secured by the Administration Charge, the Directors' Charge and the Representative Counsel Charge.
- 1.5.6 "**CCAA Proceedings**" means the proceedings commenced by the Petitioner under the CCAA in the Supreme Court of British Columbia, Action No. S1710393, Vancouver Registry.
- 1.5.7 "**Chair**" means the representative of the Monitor who shall preside as the chair of the Creditors' Meeting and shall decide all matters relating to the conduct of the Creditors' Meeting as provided in the Meeting Order.
- 1.5.8 "**Claim**" means the right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind (including all contingent liabilities), whether secured or unsecured, at the date of the Initial Order, namely November 10, 2017, that would be a claim provable in bankruptcy within the meaning of the BIA.
- 1.5.9 "**Claims Bar Date**" means the date prescribed in the Claims Process Order.
- 1.5.10 "**Claims Process Order**" means the Order of the Court in the CCAA Proceedings made November 18, 2019 establishing, among other things, procedures for proving Claims.
- 1.5.11 "**Contract**" means any contract, agreement, lease, indenture, deed of trust, license, option, purchase order, employment or consulting contract, or other commitment or obligation in the nature of a contract, whether oral or written, express or implied.
- 1.5.12 "**Court**" means the Supreme Court of British Columbia.
- 1.5.13 "**Creditor**" means any Person asserting a Claim or potentially having a secured or unsecured Claim as determined by the Monitor but in accordance with the Equity Claims Direction Order, does not include Preferred Shareholders.
- 1.5.14 "**Creditors Distribution Certificates**" means the certificates issued by the Monitor from time to time and filed with the Court as provided for Section 4.2.
- 1.5.15 "**Creditors' Meeting**" means the meeting of the Creditors to be called and held pursuant to the Meeting Order for the purpose of considering, and if thought fit, voting to approve this Plan and any adjournment thereof.

- 1.5.16 "**Creditors' Meeting Date**" means the date fixed for holding the Creditors' Meeting under the Meeting Order, or any date to which such Meeting is adjourned or postponed pursuant thereto.
- 1.5.17 "**Crown**" means Her Majesty the Queen in Right of the Province of British Columbia and Her Majesty the Queen in Right of Canada.
- 1.5.18 "**Directors' Charge**" means the Charge created by the Initial Order in favour of the officers and directors of the Petitioners.
- 1.5.19 "**Distributable Cash**" means any and all funds recovered by the Petitioner from the Petitioner's Assets, under the direction of the Monitor, in accordance with the terms of the Plan.
- 1.5.20 "**Distribution Amount**" means:
- (a) in the case of any Proven Claim, 100% of the value of such Proven Claim; and
  - (b) in the case of any Preferred Shareholders Claim, a pro rata share of the balance of the Distributable Cash after payment of the Proven Claims.
- 1.5.21 "**Distribution Dates**" means the dates selected by the Monitor, in its sole discretion, on which it determines it is appropriate to distribute the Distributable Cash.
- 1.5.22 "**Equity Claims Direction Order**" means the Order pronounced in these proceedings by Mr. Justice Walker on September 4, 2019.
- 1.5.23 "**Filing Date**" means November 8, 2017.
- 1.5.24 "**Final Distribution Certificate**" means the certificate filed by the Monitor in accordance with Section 4.3.
- 1.5.25 "**Final Distribution Date**" means the Business Day on which the Monitor files the Final Distribution Certificate with the Court pursuant to Section 4.3.
- 1.5.26 "**Final Order**" means an Order of the Court in the CCAA Proceedings approving this Plan as provided for in Section 5.1(b).
- 1.5.27 "**Interim Creditor Distributions**" means the payments, from time to time, of Distributable Cash by the Monitor to Creditors having Proven Claims as provided for in Section 4.2.
- 1.5.28 "**Initial Order**" means the Order of the Court in the CCAA Proceedings dated November 10, 2017 ordering, among other things, a stay of proceedings against the Petitioner, as amended from time to time.

- 1.5.29 **"Meeting Order"** means the Order of the Court authorizing the Petitioner to present this Plan to the Creditors at the Creditors' Meeting, as amended and modified by any subsequent Order of the Court and, among other things, providing for the conduct of the Creditors' Meeting.
- 1.5.30 **"Meeting Materials"** means the notice of meeting, form of proxy and related materials sent to the Creditors as provided for in the Meeting Order.
- 1.5.31 **"Monitor"** means McEown and Associates Ltd. in its capacity as Monitor of the Petitioner, and not in its personal capacity, pursuant to the Initial Order as amended, and without any personal or corporate liability.
- 1.5.32 **"Non-Redeeming Shareholders Counsel"** means counsel appointed on behalf of those persons owning preferred shares in the capital of the Petitioner other than the Redeeming Shareholders.
- 1.5.33 **"Order"** means any order, directive, judgment, decree, award or writ of any Tribunal.
- 1.5.34 **"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, governmental authority or any other entity.
- 1.5.35 **"Petitioner"** means All Canadian Investment Corporation.
- 1.5.36 **"Petitioner's Assets"** means any and all loans, mortgages, guarantees, real property, charges, claims, choses in action, money, negotiable instruments, shares, beneficial interests, hypothecations together with any and all other items of value which the Petitioner holds a legal and/or beneficial interest in including, but not limited to, the sale, transfer or issuance of any of the Petitioner's share capital.
- 1.5.37 **"Plan" or "Plan of Arrangement"** means this plan, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof.
- 1.5.38 **"Plan Implementation Date"** means the date on which the Final Distribution Certificate is filed with the Court by the Monitor.
- 1.5.39 **"Post Filing Claim"** means any amount due to any Person for any goods or services supplied to the Petitioner subsequent to the Filing Date and/or for any sales or excise taxes, source deductions or assessments and premiums due from the Petitioner and arising subsequent to the Filing Date, but does not include any Claim arising as a result of the repudiation, restructuring or termination of any contract by the Petitioner.

- 1.5.40 **"Preferred Shareholders"** means those persons owning preferred shares in the capital of the Petitioner.
- 1.5.41 **"Preferred Shareholders Interim Distribution"** means the payments, from time to time, of Distributable Cash by the Monitor to Preferred Shareholders as provided for in Section 4.3.
- 1.5.42 **"Proof of Claim"** means a proof of claim, in the form prescribed by the Claims Process Order, completed by a Creditor and delivered to the Monitor in accordance with the terms of such Order.
- 1.5.43 **"Proven Claim"** means the aggregate amount of any and all Claims held by a Creditor as determined in accordance with the provisions of the Claims Process Order.
- 1.5.44 **"Realization"** means the process of realizing the Petitioner's Assets under the terms of the plan and as specifically provided for in Section 4.1.
- 1.5.45 **"Redeeming Shareholder Counsel"** means counsel appointed on behalf of those persons owning preferred shares in the capital of the Petitioner who took all necessary steps to submit a valid redemption request to the Petitioner at a time when reasonable grounds did not exist to believe that the Petitioner was insolvent, or honouring a redemption request would make the Petitioner insolvent, and such other preferred shareholders as the court may determine have analogous claims against the Petitioner.
- 1.5.46 **"Related Person"** shall have the meaning as provided in the BIA.
- 1.5.47 **"Released Parties"** has the meaning ascribed thereto in Section 4.4.
- 1.5.48 **"Representative Counsel Charge"** means the charge in favour of the Redeeming Shareholder Counsel and the Non-Redeeming Shareholder Counsel created by the Order pronounced March 26, 2019, amended by Order pronounced April 5, 2019 and as amended by subsequent Order.
- 1.5.49 **"Required Majority"** means the affirmative vote of:
- (a) a simple majority in number of those Creditors who actually vote upon this Plan (in person or by proxy) at the Creditors' Meeting; and
  - (b) a two-thirds majority in value of the Proven Claims of Creditors who actually vote upon this Plan (in person or by proxy) at the Creditors' Meeting;
- in accordance with the Meeting Order.
- 1.5.50 **"Service List"** means the service list maintained by Monitor in accordance with the Initial Order and posted and maintained on its website at:



[www.mceownassociates.com/all-canadian-investment-corporation](http://www.mceownassociates.com/all-canadian-investment-corporation)

- 1.5.51 "**Stay Termination Date**" means the second Business Day following the Plan Implementation Date.
- 1.5.52 "**Transactions**" means, collectively all steps, proceedings and agreements required to effect this Plan.
- 1.5.53 "**Tribunal**" means any court (including a court of equity) of competent jurisdiction, arbitrator panel and any other Governmental Authority.

## 2. PURPOSE AND EFFECT OF THE PLAN

### 2.1 Purpose of the Plan

The purpose of this Plan is to achieve an efficient and coordinated windup and liquidation of the Petitioner's Assets so as to realize the greatest possible recovery to stakeholders and in particular, to effect and implement the:

- (a) the most cost-efficient and practical realization of the Petitioner's Assets; and
- (b) the distribution of the Petitioner's Assets in accordance with the following priorities:
  - i. amounts due and owing under the Administrative Charge;
  - ii. amounts due and owing under the Directors Charge;
  - iii. amounts due and owing to Creditors;
  - iv. amounts due and owing under the Representative Counsel Charge; and
  - v. distribution of the balance to Preferred Shareholders.

Pursuant to this Plan, it is intended (assuming the Petitioner's assets are sufficient to do so) that the Creditors will receive full payment of all Proven Claims and the Preferred Shareholders will receive a pro rata share of balance of the Distributable Cash thereby deriving a greater benefit or recovery than if this Plan were not implemented.

### 2.2 Persons Affected by this Plan

From and after the Plan Implementation Date, this Plan will be binding upon and enure to the benefit of the Petitioner and be binding on all Persons in accordance with its terms.

### 2.3 Effect of Plan Generally

The treatment of all Claims under this Plan shall be final and binding on the Petitioner, the Creditors and the Preferred Shareholders (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns), irrespective of the jurisdictions in which they reside or the Claims arise, and this Plan shall constitute a full, final and absolute settlement of all rights of the Creditors and the Preferred Shareholders in consideration for the Distribution Amounts to be paid to in accordance with the terms of this Plan.

### **3. FILING OF PROOFS OF CLAIM AND CREDITORS' MEETING**

#### **3.1 Determination of Claims**

The determination of the validity and quantum of any Claim shall be made in accordance with the procedures set forth in the Claims Process Order.

#### **3.2 Failure to File Proofs of Claim Prior to Claims Bar Date**

If a Creditor has not filed a Proof of Claim with the Monitor prior to the Claims Bar Date or such later date as agreed to by the Monitor as allowed for under the Claims Process Order, such Creditor shall be forever barred from participating in this Plan, shall have no right to vote in respect of this Plan and shall not be entitled to receive any amounts payable under this Plan, and the Petitioner shall be forever released from any and all Claims of, or liabilities or obligations to, such Creditor.

#### **3.3 Class of Creditors**

The only class of individuals for the purpose of considering and voting on this Plan will be a class comprised of all Creditors. The Preferred Shareholders will not be entitled to vote on this Plan.

#### **3.4 Creditors' Meeting**

The Petitioner will call the Creditors' Meeting and convene and hold the same on the Creditors' Meeting Date, in accordance with the terms of this Plan and the Meeting Order.

#### **3.5 Creditors' Approval**

The Petitioner will seek approval of this Plan at the Creditors' Meeting by the Required Majority. Except for any resolution to be voted on at the Creditors' Meeting to approve, amend or vary this Plan, which will be decided by the Required Majority by ballot, every question submitted to a vote at the Creditors' Meeting will be decided by a majority in value of the Proven Claims cast on a poll. The result of any vote will be binding on all Creditors, whether or not any such Creditor is present and voting (in person or by proxy) at the Creditors' Meeting.

#### **3.6 Procedures at Creditors' Meeting**

The following procedures shall apply at the Creditors' Meeting. To the extent such procedures are inconsistent with the Meeting Order, the procedures provided in the Meeting Order shall govern:

- (a) subject to any Order of the Court, the Chair shall decide all matters relating to the conduct of the Creditors' Meeting;
- (b) the quorum required at the Creditors' Meeting shall be one Creditor present in person or by proxy;
- (c) the Chair may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Meeting and any person to act as secretary at the Meeting Creditors' Meeting;
- (d) the only Persons entitled to notice of or to attend, speak and vote at the Creditors' Meeting will be Creditors having Proven Claims, the directors, officers or other authorized representatives of the Petitioner, the Monitor and its representatives, the legal advisors and proxyholders of any of the foregoing and any Person admitted on the invitation of the Chair;
- (e) if the requisite quorum is not present at the Creditors' Meeting, or if the Creditors' Meeting is postponed by a vote of the Creditors present in person or by proxy, then the Creditors' Meeting shall be adjourned by the Chair to a date thereafter and to such time and place as may be determined by the Chair;
- (f) any proxy which a Creditor wishes to use at the Creditors' Meeting must be received by the Monitor or the Chair prior to the commencement of the Creditors' Meeting; and
- (g) the Chair shall direct a vote at the Creditors' Meeting with respect to a resolution to approve this Plan and the transactions contemplated herein, and such amendments hereto as the Petitioner considers appropriate (the "Resolution").

### 3.7 Voting by Creditors

For the purposes of voting at the Creditors' Meeting, each Creditor having a Proven Claim shall be entitled to:

- (a) one vote for purposes of determining the simple majority in number required under clause (a) of the definition of "Required Majority" in Section 1.5.49; and
- (b) one vote for each \$1.00 of its Proven Claim for purposes of determining the two-thirds majority in value required under clause (b) of the definition of "Required Majority" in Section 1.5.49.

### 3.8 Proxies

Each person who is entitled to vote at the Creditors' Meeting will be entitled to vote in person or by proxy, using the proxy form distributed by the Monitor pursuant to the Meeting Order.

### **Voting Disputes**

Any issue which arises in respect of the right of a Creditor to vote at the Creditors' Meeting shall be resolved by the Chair, provided that any dispute relating to a decision of the Chair in this regard may be appealed to the Court at or before the hearing of the application for the Final Order.

### **3.9 Adjournment of Creditors' Meeting**

The Chair may, in its sole discretion, upon notice to those Persons attending the Creditors' Meeting, adjourn the Creditors' Meeting upon such terms as are considered appropriate by the Chair for the purpose of considering any amendments, variations, modifications or supplements to this Plan.

## **4. TERMS OF ARRANGEMENT AND DISTRIBUTION OF PETITIONER'S ASSETS**

### **4.1 Realization of the Petitioner's Assets.**

The Petitioner, with the direction of the Monitor who shall have sole decision-making authority on behalf of the Petitioner, shall take all reasonable economic steps to realize and convert the Petitioner's Assets to Distributable Cash including, without limitation, initiating or continuing legal proceedings, executing on security, negotiating with the Petitioner's debtors, entering into agreements to sell real property and any other steps required to realize the Petitioner's Assets.

In order to affect the Realization the Petitioner and the Monitor are authorized to retain, or continue to retain, legal counsel and such other professionals as they deem necessary (at their sole discretion) to effect the highest possible realization of the Petitioner's Assets. Any and all costs incurred by the Petitioner or the Monitor in the Realization shall be paid from the Distributable Cash in priority to the distributions to the Creditors and the Preferred Shareholders provided herein and shall be secured by way of the Administration Charge.

#### **4.1.1 Realization of the Petitioner's Assets – Share Transaction Structure**

For greater clarity, reasonable economic steps described in Section 4.1 herein shall include, without limitation, certain share transactions involving the Petitioner, including an arrangement pursuant to the *Business Corporations Act* (British Columbia), seeking to (i) cancel all issued and outstanding shares in the authorized share structure of the Petitioner and (ii) issue new shares in the authorized share structure of the Petitioner. For the purposes of this Section 4.1.1, the Monitor shall have sole decision-making authority on behalf of the Petitioner. For greater clarity, any cancellation or modification of shares in the authorized share structure of the Petitioner pursuant to this Plan to implement such transactions shall not impact distribution entitlements pursuant to this Plan.

### **4.2 Creditor Distributions**

The obligations of the Petitioner to the Creditors shall be paid, settled and compromised pursuant to this Plan as follows:

- (a) the Monitor shall make interim distributions to the Creditors, on a pro rata basis, as and when the Monitor determines, at its sole discretion, there is sufficient Distributable Cash for the purposes of making such distributions;
- (b) after making an interim distribution to the Creditors provided herein the Monitor shall file and serve on the Service List a creditors interim distribution certificate including the date and amount of distributions made in accordance with this Section;
- (c) the Monitor shall make a final distribution to the Creditors, at such time as the Monitor (at its sole discretion) is of the view that there is sufficient Distributable Cash to fully and completely pay all of the Proven Claims together with interest to Creditors on the Proven Claims from the date of the Initial Order to the date of payment of the Proven Claims and to be calculated at a rate of 5% per annum as provided for in s. 143 of the *Bankruptcy and Insolvency Act*; and
- (d) after making the final distributions to the Creditors provided herein the Monitor shall file and serve on the Service List a final creditors interim distribution certificate including the date and amount of distributions made in accordance with this Section.

#### 4.3 Equity Claimants/Preferred Shareholders

On the Plan Effective Date, the Plan will be binding on all Preferred Shareholders. The obligations of the Petitioner to the Preferred Shareholders shall be paid, settled and compromised pursuant to this Plan as follows:

- (a) after payment of all of the Proven Claims in accordance with Section 4.2 herein, the Monitor shall pay such monies as remain due and owing under the Representative Counsel Charge;
- (b) after payment of the Representative Counsel Charge the Monitor shall make interim distributions to the Preferred Shareholders, on a pro rata basis, as and when the Monitor determines, at its sole discretion, there is sufficient Distributable Cash for the purposes of making such distributions;
- (c) after making an interim distribution to the Preferred Shareholders as provided herein the Monitor shall file and serve on the Service List, a Preferred Shareholders interim distribution certificate including the date and amount of distributions made in accordance with this Section;
- (d) on determining that all reasonable economic steps have been taken by the Petitioner to realize and convert the Petitioner's Assets to Distributable Cash the

Monitor shall make a final pro rata distribution to the Preferred Shareholders of the balance of the Distributable Cash after payment of (or setting aside sufficient funds to pay) any priority debts and expenses provided for in the Plan including any sums due and owing, or which will become due and owing, under the Administration Charge; and

- (e) after making the final distribution to the Preferred Shareholders provided herein the Monitor shall file and serve on the Service List a Final Distribution Certificate confirming:
  - i. that in its opinion all reasonable economic steps have been taken to realize and convert the Petitioner's Assets to Distributable Cash have been made;
  - ii. the date and amount of all distributions made to the Creditors and the Preferred Shareholders, respectively; and
  - iii. that the Plan has been completed on the terms provided herein.

#### 4.4 Releases

As of the Plan Implementation Date, the following Persons (collectively, the "**Released Parties**"):

- (a) the Petitioner's legal counsel in the CCAA Proceedings;
- (b) the Monitor and its legal counsel in the CCAA Proceedings; and
- (c) any Person claimed to be liable derivatively through any and all of the foregoing Persons;

shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert including, any claims in respect of potential statutory liabilities and any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date in any way relating to, arising out of or in connection with Claims, the business and affairs of the Petitioner, this Plan and the CCAA Proceedings to the full extent permitted by law, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Petitioner's obligations under the Plan or any related document) provided that nothing herein:

- i. shall affect a Person from their obligations provided in the Plan;

- ii. shall affect the rights of any Person to recover indemnity from any insurance coverage under which that Person is an insured; or
- iii. shall release or discharge present or former directors of the Petitioner with respect to matters set out in section 5.1(2) of the CCAA;
- iv. shall release or discharge the Monitor from any claims in fraud, dishonesty or gross negligence;

and provided further, however, that notwithstanding the foregoing releases under the Plan, any Claim asserted against the Petitioner shall remain subject to any right of set-off that otherwise would be available to the Petitioner in the absence of such releases.

The releases provided herein do not extend to, cover, or apply to any director, officer or principle of the Petitioner.

#### **4.5 Intentionally Deleted**

#### **4.6 Waiver of Defaults**

From and after the Plan Implementation Date, the Creditors, Preferred Shareholders and other Persons shall be deemed to have waived any and all defaults of the Petitioner now existing or previously committed or caused by the Petitioner, or non-compliance with any covenant, warranty, representation, term, provision, condition, obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereof, existing between such Person and the Petitioner, including a default under a covenant relating to any other related company of the Petitioner and any and all notices of default and demands for payment under any instrument, including any guarantee, shall be deemed to have been rescinded.

### **5. IMPLEMENTATION OF PLAN**

#### **5.1 Conditions Precedent to Effectiveness of Plan**

The implementation and effectiveness of this Plan is expressly subject to the fulfillment of the following conditions:

- (a) the approval of this Plan by the Required Majority as set out herein; and
- (b) the granting of the Final Order as contemplated in this Plan and the Meeting Order or on such other terms as are satisfactory to the Petitioner.

#### **5.2 Application for Final Order**

If this Plan is approved at the Creditors' Meeting by the Required Majority as set out herein, and subject to any requirement to first determine the Claims in accordance with the terms of the Claims Process Order, if any, the Petitioners will forthwith thereafter apply to Court for the Final Order.

### 5.3 Terms of Final Order

In addition to sanctioning the Plan, the Final Order shall, among other things:

- (a) declare that the Distributable Cash will be paid to an account held by the Monitor and distributed in accordance with Section 4;
- (b) declare that the arrangements effected by this Plan are approved, binding and effective upon the Petitioner, all Creditors, the Preferred Shareholders, and any other Persons affected by this Plan, and release and discharge the Petitioner from any and all obligations, liabilities and indebtedness, as and to the extent provided for in this Plan;
- (c) release and discharge the Petitioner from any and all Claims subject to and in accordance with this Plan and stay any and all steps or proceedings, including administrative orders, declarations or assessment commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Petitioner from any liability with respect to all Claims, all to the extent provided for in this Plan;
- (d) confirm and give effect to the releases, waivers, permanent injunctions and other provisions contemplated by this Plan; and
- (e) declare that the stay of proceedings under the Initial Order will continue until the Stay Termination Date;

### 5.4 Proposed Timetable

The Petitioners shall use all reasonable commercial efforts to fulfill each of the conditions precedent set out herein and to implement this Plan in accordance with the following timetable. The following timetable is, however, subject to change:

	Events	Anticipated Dates	Defined Dates
1.	Hearing of Application for Claims Process and Meeting Order	November 18, 2019	-
2.	Mailing of instruction letter to Creditors and publication (re: claims process)	November 28, 2019	-



4.	Deadline for Creditors to deliver Proofs of Claim	January 10, 2020	Claims Bar Date
5.	Delivery of Creditors' meeting material	November 27, 2020	
5.	Creditors' Meeting	December 21, 2020	Creditors' Meeting Date
6.	Hearing of Application for Final Order	January 21, 201 and February 5, 2021	
10.	Termination of Stay of Proceedings in CCAA Proceedings	TDB	Stay Termination Date

## 6. Miscellaneous

### 6.1 Withholding and Reporting Requirements

In connection with this Plan and all distributions hereunder, the Monitor shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any applicable law of federal, state, provincial, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Monitor shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of this Plan:

- (a) each Creditor having a Proven Claim that is to receive a distribution pursuant to this Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental authority, including income, withholding and other tax obligations, on account of such distribution:
- (b) no distribution shall be made to or on behalf of such Creditor pursuant to this Plan unless and until such holder has made arrangements satisfactory to the Monitor for the payment and satisfaction of such tax obligations.

## 7. MODIFICATION AND WITHDRAWAL

### 7.1 Modification of Plan

The Petitioner reserves the right to file any modification of, or amendment or supplement to, this Plan by way of a supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) filed with the Court at any time, or from time to time, prior to the Creditors' Meeting Date or at or before the Creditors' Meeting, in which case any such supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) shall, for all purposes, be and be deemed to be a part of and incorporated into this Plan.

The Petitioner shall give notice to the Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve this Plan. The Petitioner may give notice of a proposed modification, amendment or supplement to this Plan at or before the Creditors' Meeting by notice in writing which shall be sufficient if given to those Creditors present at such Meeting in person or by proxy and any and all voting letters or proxies shall continue to be valid in respect of any modification, amendment or supplement to the Plan.

After the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Final Order), the Petitioner may at any time and from time to time vary, amend, modify or supplement this Plan without the need for obtaining an order of the Court or providing notice to the Creditors if the Monitor determines that such variation, amendment, modification or supplement would not

be materially prejudicial to the interests of the Creditors under this Plan or is necessary in order to give effect to the substance of this Plan. In the event a material variation, amendment, modification or supplement is required by the Petitioner, such shall be permitted by Court order.

## 7.2 Revocation, Withdrawal or Non-Consummation

The Petitioner reserves the right to revoke or withdraw this Plan at any time prior to the Plan Implementation Date and to file subsequent plans of reorganization or arrangement. If the Petitioner revokes or withdraw this Plan:

- (a) this Plan shall be null and void in all respects;
- (b) any Claim, any settlement or compromise embodied in this Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination, repudiation of executory contracts or leases effected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and
- (c) nothing contained in this Plan, and no act taken in preparation for consummation of this Plan, shall:
  - i. constitute or be deemed to constitute a waiver or release of any Claims by or against the Petitioner or any other Person;
  - ii. prejudice in any manner the rights of the Petitioner or any Person in any further proceedings involving the Petitioner; or
  - iii. constitute an admission of any sort by the Petitioner or any other Person.

DATED at the City of Vancouver, the Province of British Columbia this \_\_\_ day of \_\_\_\_\_, 2020.

**ALL CANADIAN INVESTMENT CORPORATION**  
by McEown and Associates Ltd. in its capacity as court  
appointed Monitor of the Petitioner:

Per:

\_\_\_\_\_  
Name: John McEown

Title: President of McEown and Associates  
Ltd.

**Schedule "C" ~~Monitor's~~  
Transaction Implementation Certificate**

No. S1710393  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION

**MONITOR'S TRANSACTION IMPLEMENTATION CERTIFICATE**

By Order made November 25, 2019, this Court appointed McEown and Associates Ltd. as monitor (the "Monitor") of the Petitioner pursuant to the *Companies' Creditors Arrangement Act* (the "Petitioner");

By Order made \_\_\_\_\_ February 5, 2021 (the "Sanction Order"), this Court sanctioned and approved the Petitioners' plan of arrangement dated November 26, 2020 (the "Plan") ~~and~~);

By Order made July 17, 2023 (the "Amended Sanction Order"), this Court sanctioned and approved the Petitioner's amended Plan of Arrangement (the "Amended Plan") and associated transactions, including the Share Purchase Agreement dated \_\_\_\_\_, 2023 between McEown and Associates Ltd., solely in its capacity as the court-approved monitor of All Canadian Investment Corporation and not in its personal capacity, and Lighthouse Capital Corporation (the "Agreement"), and authorized the Monitor to file with the Court a certificate evidencing completion of the transaction contemplated by the Agreement;

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received funds sufficient to satisfy the purchase price pursuant to the Agreement; and
2. The transaction contemplated in the Agreement has closed and is complete in all respects.

DATED at the City of Vancouver, in the Province of British Columbia, this \_\_\_ day of

\_\_\_\_\_.

McEown and Associates Ltd.  
In its capacity as Monitor of the Petitioner  
And not in its personal capacity.

Per: \_\_\_\_\_

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Schedule "D" – Monitor's Implementation Certificate

No. S1710393  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT,  
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION

MONITOR'S PLAN IMPLEMENTATION CERTIFICATE

By Order made November 25, 2019, this Court appointed McEown and Associates Ltd. as monitor (the "Monitor") of the Petitioner pursuant to the *Companies' Creditors Arrangement Act* (the "Petitioner");

By Order made February 5, 2021 (the "Sanction Order"), this Court sanctioned and approved the Petitioners' plan of arrangement dated November 26, 2020 (the "Plan");

By Order made July 19, 2023 (the "Amended Sanction Order"), this Court sanctioned and approved the Petitioner's amended Plan of Arrangement (the "Amended Plan") and associated transactions;

The Sanction Order and the Amended Sanction Order authorized and directed the Monitor to file this certificate with the Court once the conditions at paragraph 2630 of the Amended Sanction Order were satisfied.

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor ~~hereby confirms that:~~ (a) it has ~~funds in trust in an amount sufficient to~~

~~satisfy~~satisfied the distributions payable to the Creditors pursuant to the Amended Plan; ~~and (b) has been advised by the Petitioner that the~~

2. The Monitor is satisfied that all Transactions (as defined in the Plan and the Amended Plan) have completed: and

3. The Amended Plan has been implemented and is complete in all respects.

DATED at the City of Vancouver, in the Province of British Columbia, this \_\_\_ day of

\_\_\_\_\_, \_\_\_\_\_.

McEown and Associates Ltd.  
In its capacity as Monitor of the Petitioner  
And not in its personal capacity.

Per: \_\_\_\_\_

## APPENDIX "F"

PRIVATE AND CONFIDENTIAL

5 January 2023

All Canadian Investment Corporation  
c/o McEown & Associates Ltd.  
110 – 744 West Hastings Street  
Vancouver BC V6C 1A5

Dear Mr. McEown:

This engagement letter, together with any attachments (collectively, the "**Agreement**") confirms the terms and conditions on which Ernst & Young Inc. ("**EYI**" or "**EY**") has been engaged by the All Canadian Investment Corporation (hereinafter collectively referred to as, the "**Company**") to provide certain professional services (the "**Services**").

### Scope of Services

We will provide you with the following services in connection with a proposed, direct or indirect, sale of or investment in (collectively, the "**Transaction**") some or all of the assets comprising the Company (the "**Business**"), including by way of joint venture or otherwise.

- Review and compile information related to the Business for purpose of third party investment, debt acquisition or otherwise;
- Advise on realization strategies;
- Assist with, identify and contact qualified prospective purchasers, investors and/or lenders ("**Prospects**");
- Discuss with you the merits and issues regarding the written letters of intent ("**LOI**") received from Prospects, to assist in your evaluation and assessment of the LOI's, and advise you regarding those qualified for further consideration based upon, *inter alia*, indicative pricing, transaction risk, timeline and deal structure;
- Assist you in the administration of the due diligence process, on behalf of the prospects;
- Assist you in your negotiations with qualified Prospects to formalize and execute an LOI on terms satisfactory to you; and
- Provide comments to you and your legal advisors regarding the negotiation and documentation of definitive agreements.

The Services are advisory in nature. EYI shall exercise due professional care and competence in the performance of the Services. You shall make all management decisions and perform all management functions related to the Services, including: (i) determining whether the Services are appropriate for your purposes; (ii) approving the transaction strategy; (iii) approving prospective purchasers before they are contacted; (iv) approving specific information being disclosed to



prospective purchasers; (v) selecting the best proposal, after our analysis and comparison; (vi) approving the commencement and disposition of investment process; and (vii) agreeing to the definitive LOI documents.

As is typical in any transaction, the structure and nature of the project may change as discussions with potential parties progress. You acknowledge that this engagement has been undertaken on the basis that various structures may need to be considered in order to successfully complete a transaction.

EYI has undertaken an inquiry of its available records to determine whether potential conflicts of interest might exist with respect to the performance of the services in respect of this matter. We do not believe that any conflict of interest exists that would prevent us from providing the services. However, the wide range of services provided by EYI and other EY Firms for a large number of clients, as well as changing circumstances, means that our systems cannot identify each and every potential conflict of interest. The parties agree that EYI shall not be deemed to have a conflict of interest simply because EYI or another EY Firm provides or has previously provided unrelated services to potential counterparties to this transaction.

## **Contacts**

Your primary contact at EY for these Services will be Mr. Mike Bell.

## **Fees**

### *EYI*

In consideration of the foregoing, upon completion of the Transaction EYI shall be entitled to a success fee ("**Transaction Fee**") equal to 20% of the Transaction Value (as defined below) to a maximum of \$250,000. You will agree to provide an irrevocable direction to legal counsel to pay such fees, net of the creditable amounts set out below, on the closing of any Transaction.

### *Future Fee Recovery*

It is acknowledged that the fees (as detailed above) and other costs (as detailed below) incurred by the Company in respect of EYI and the other service providers will be recovered by the Company from future distributions contemplated in the Transaction.

### *General*

All fees are in Canadian dollars unless otherwise specified. Applicable taxes will be added to all fees.

### Court Approval

EYI is aware that the Company is subject to proceedings commenced in the Vancouver Registry of the Supreme Court of British Columbia under the *Companies' Creditor Arrangement Act* (the "CCAA Proceedings"). As a result, the operations of the Company and actions of McEown &

Associates Ltd. in its capacity as court appointed monitor of the Company (the "Monitor"), are subject to the supervision of the Supreme Court of British Columbia.

EYI acknowledges and agrees that:

- (a) any Transaction which the Company is desirous of entering into; and the terms of the Agreement; and
- (b) EYI's entitlement to payment of a Transaction Fee

are expressly subject to approval of the Court in the CCAA Proceedings.

In the event that EYI assists the Company to enter into a Transaction on the terms contemplated herein, the Company and the Monitor will recommend, and make reasonable efforts to secure, Court approval of the Transaction, the Agreement, and payment of the Transaction Fee in the CCAA Proceedings.

In the event that the approval is not provided the parties agree that the Agreement will automatically be cancelled

For the purposes of this Agreement:

**"Transaction Value"** shall be calculated based on the successful completion of the Transaction and shall include amounts received or receivable or paid or payable, directly or indirectly, from a sale or investment by a third party. Where there is a transaction involving the Business, the Transaction Value shall comprise the sum of the following components:

- (a) The amount of cash consideration received from third party investors to and including the closing of the Transaction;
- (b) Payments to creditors, secured, unsecured or otherwise on account of a debt restructuring;
- (c) The fair market value of any marketable securities or other non-cash consideration received that has the same outcome as contemplated in (a) above;
- (d) Any interest bearing or non-interest bearing debt of the Business assumed by the Prospect;
- (e) The value of any contingent payments contemplated by the Transaction (excluding resulting from the disposition of assets within the Business) to be received by the Company in the future; and
- (f) Net gain realized or realizable by the Company that results from the Transaction.

In arriving at the proposed fee structure, we have relied upon the information provided by you regarding the Business' current and prospective market position and its current financial state. In the event of an adverse change in the market position, financial performance and/or costing analysis related to the Business we would anticipate negotiating with you, in good faith, a revised fee arrangement.

We would also expect to negotiate with you, in good faith, a revised fee arrangement where, after having executed a LOI, the Transaction is unable to be completed due to circumstances within the control of the Company. Circumstances considered to be outside your control would include situations where the Prospect party significantly amends its offer from the LOI or where you have a *bona fide* business reason for not completing the Transaction, provided such reason is consistent with the executed LOI or your stated objectives.

### **Expenses**

The costs of administrative items such, *inter alia*, telephone, research material, facsimile, overnight mail, messenger, administrative support, will be billed to the Company at 5% of EYI's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.

In addition, a transaction of this nature may benefit from the use of an electronic data room for the timely processing of due diligence. In the event you elect to use an electronic data room, those expenses will be reimbursed to us. Expenses shall be reimbursed irrespective of whether or not you complete the proposed Disposition or any part thereof.

Payment of our invoices is due upon receipt. Interest on overdue accounts accrues at 12% per annum starting 30 days following the date of our invoice. We may suspend performance of the Services in the event you fail to pay our invoice.

### **Termination**

EYI's engagement hereunder may be terminated at any time with or without cause by either you or EYI upon ten days written notice thereof to the other party, provided; however, that in the event of any termination, EYI will continue to be entitled to payment of the full amount of the Transaction Fee and to retain any other rights arising from completion, if a transaction is consummated within eighteen (18) months of termination with a Prospect, or affiliated company, who EYI had contacted in connection with the Transaction, who received information during our engagement, or who had been identified by EYI and not contacted based on instructions from you. Any termination of EYI's engagement hereunder shall not affect your obligation to pay fees earned and expenses incurred prior to such termination.

### **Publication**

Appropriate reference shall be made to EYI in any press releases and other media communications regarding the Disposition. Following completion of the Disposition, EYI shall have the right to use your name and trade-mark and the Business name and trade-mark, as well as other public information on the Disposition, in promotional materials; such as marketing tombstones.

**Other**

The attached General and Supplemental Terms and Conditions form an integral part of our Agreement. However, in the event of any conflict the body of this engagement letter has precedence.

The acceptance and execution of this engagement, including the consummation of the Transaction, shall not invalidate the acceptance by EYI of any future engagement involving the Business.

Please sign this letter in the space provided below to indicate your agreement with these arrangements and return it to the undersigned so that we may begin work. Thanks again for your selection of our firm.

Yours truly,

**ERNST & YOUNG INC.**

Per:



Mike Bell  
Senior Vice President

We hereby confirm the terms of the foregoing engagement

**ALL CANADIAN INVESTMENT CORPORATION**  
**by McEown & Associates Ltd.**

in its capacity as Court Appointed Monitor of  
All Canadian Investment Corporation  
and not in its personal or corporate capacity

Per:



John McEown

## General terms and conditions

- **EY network.** EY is a member of the global network of Ernst & Young firms ("EY Firms"), each of which is a separate legal entity. EY may, subject to the prior consent of the Company, subcontract portions of the Services to other EY Firms, as well as to other service providers, who may deal with Client directly. Nevertheless, EY alone will be responsible to Client for any Reports, the performance of the Services, and EY's other obligations under this Agreement.
- **Responsibilities.** Client will provide EY with timely access to the information, personnel and assistance EY requires in order to perform the Services. All information provided to EY shall be accurate and complete, to the best of Client's knowledge. Unless otherwise expressly agreed, EY will rely on information provided to it without independently verifying accuracy or completeness. EY will use all reasonable efforts to complete the Services within any agreed time-frames (but EY will not be liable for delays that are beyond its control). Client shall make all management decisions related to the Services, including determining whether the Services are appropriate for its purposes.
- **Reports.** Any information, advice, recommendations or other content of any reports, presentations or other communications EY provides under this Agreement ("**Reports**") are for Client's internal use. Client may not disclose a Report (or any portion or summary of a Report) to any third party, except as noted in the foregoing provisions of this Agreement, or refer to EY or to any other EY Firm in connection with the Services, except with EY's prior written consent or to the extent a Report contains Tax Advice (as defined below). Reports are not intended to be relied upon by any third party. Client may not rely on any draft Reports.
- **Tax Advice.** Client may disclose to anyone a Report (or a portion thereof) solely to the extent that it relates to tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the Services relate ("**Tax Advice**"). With the exception of tax authorities, Client shall inform those to whom it discloses Tax Advice that they may not rely on it for any purpose without EY's prior written consent.
- **Notice re: Québec.** From time to time, EY personnel performing the Services may include members of the *Ordre des comptables professionnels agréés du Québec ("l'Ordre des CPA")*. Any individual member of the *Ordre des CPA* performing professional services hereunder assumes full personal civil liability arising from the practice of his or her profession, regardless of his or her status within EY's organization. He or she may not invoke the liability of EY's organization as a ground for excluding or limiting his or her own liability. The limitations that follow below shall therefore not apply to limit the personal civil liability of members of the *Ordre des CPA* (and with respect to such members, such limitations shall be deemed to not be included in this Agreement).
- The Canadian firm of Ernst & Young LLP ("EY") may assign or novate any of its rights and obligations hereunder to (i) any other member of the Ernst & Young network of firms (each, an "EY Firm") and/or (ii) any entity resulting from, or established as part of, a restructuring, sale or transfer of an EY Firm, in whole or in part, provided further that any such assignment or novation does not materially affect the continuity of the Services. EY shall provide you with notice of any such assignment or novation.
- **Limitation of liability; Indemnity.** EY's total aggregate liability arising out of or relating to this Agreement or the Services, whether in contract or tort (including negligence), under statute or otherwise, shall be limited to the total fees paid to EY for the Services. The preceding limitation will not apply to fraud, wilful misconduct, gross negligence or violation of governing law or to the extent prohibited by applicable law or professional regulations. Client may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or the subcontractors, members, shareholders, directors, officers, partners, principals or employees of EY or of any other EY Firm ("EY Persons"). Client shall make any claim or bring proceedings only against EY. Client agrees to indemnify and hold EY, the other EY Firms and the EY Persons harmless from and against any claims made by third parties related to their use of, or reliance upon, Reports (including Tax Advice). The other EY Firms and all EY Persons shall be entitled to rely on and enforce this paragraph.
- **Confidentiality; Personal information.** EY treats all client information as confidential, subject only to applicable law and professional or regulatory requirements. EY may however provide client information (including personal information) to other EY Firms and our respective service providers in order to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, to provide technology or administrative services, or for quality, risk management or financial accounting purposes. EY, other EY Firms and our respective service providers may process, transfer and store client information (including personal information) outside of Canada. Client is responsible for obtaining any required privacy consents. EY's Canadian privacy policy is available at [www.ey.com/ca](http://www.ey.com/ca).
- **Miscellaneous.** Either party may terminate this Agreement for any reason, upon written notice. Client shall pay EY for time and expenses incurred up to the effective termination date. This Agreement shall be governed by and construed in accordance with British Columbia law, without regard to conflicts of law principles. The parties submit to the exclusive jurisdiction of British Columbia courts in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services. Neither party may assign this Agreement. This Agreement may not be modified except in writing. This Agreement constitutes our entire agreement and supersedes all prior representations and agreements (including any confidentiality agreements). Any portion of this Agreement that is found to be invalid, illegal or otherwise unenforceable shall be severed to the minimum extent required and the remainder of the Agreement shall remain in effect. Provisions of this Agreement that by their nature operate beyond the term of this Agreement shall survive any termination and the completion of the Services, including limitations of liability, indemnities and confidentiality.