NO. VLC-S-S205095
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 A PLAN OF COMPROMISE AND ARRANGEMENT OF

PORT CAPITAL DEVELOPMENT (EV) INC. and EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP

FIRST REPORT OF THE MONITOR

ERNST & YOUNG INC.

June 5th, 2020

TABLE OF CONTENTS
TO THE
FIRST REPORT OF THE MONITOR

LISTING OF APPENDICES
TO THE
FIRST REPORT OF THE MONITOR

INTRODUCTION

1. On May 29, 2020 (the "**Filing Date**") this Honourable Court granted Port Capital Development (EV) Inc. (the "**General Partner**") and Evergreen House Development Limited Partnership ("**Evergreen LP**"), (each a "**Petitioner**", and collectively, the "**Petitioners**"), relief under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").

2. The initial Order (the "**Initial Order**"), *inter alia*:

   a) appointed Ernst & Young Inc. ("**EY**") as monitor of the Petitioners (the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**");

   b) granted a "**Stay of Proceedings**" to June 8, 2020 (the "**Initial Stay Period**"); and

   c) granted the Monitor enhanced powers to execute control over the Petitioners, explore restructuring opportunities and administer a "dual-track" sale and investment solicitation process (the "**SISP**") to obtain an equity investment, a refinancing or alternatively a sale of the Terrace House.

3. A fulsome introduction and timeline of events resulting in these proceedings is set out at paragraphs 1-4 of the Proposed Monitor Report dated May 28, 2020 (the "**Proposed Monitor's Report**"). This First Report of the Monitor (the "**First Report**") is to be read in conjunction with the Proposed Monitor's Report.

4. The Monitor has established a website at www.ey.com/ca/terracehouse (the "**Monitor's Website**"). All court documents and certain other documents will be posted on the Monitor's Website.

5. The purpose of this First Report is to provide information to the Court on:

   a) notice and service provided in the within proceedings;

   b) the Petitioners' activities since the Filing Date;

c) the revised and updated weekly cash flow forecast from June 6, 2020 to September 4, 2020 (the “**Cash Flow Forecast**”);

d) the DIP Commitment Letter (as defined below);

e) the Petitioners’ motion for an order (the “**Amended and Restated Initial Order**”) that among other things:

   i. extends the Stay Period to September 3, 2020;

   ii. approves the DIP Commitment Letter; and

   iii. grants the DIP Lender’s Charge (as defined below).

TERMS OF REFERENCE

6. In preparing this First Report and making the comments herein, the Monitor has been provided with, has herein relied upon, unaudited financial information, books, records and financial information prepared by the Petitioners, discussions with management of the Petitioners (“**Management**”), and information from other third party sources (collectively, the “**Information**”). Except as described in this First Report in respect of the Cash Flow Forecast:

   a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

b) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.

7. Future oriented financial information referred to in this First Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not readily and currently ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.

8. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this First Report concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.

9. All capitalized terms used herein that are undefined have the meanings ascribed thereto in the Proposed Monitor's Report, the Amended and Restated Initial Order or the DIP Commitment Letter.

10. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

NOTICE PROVIDED IN THE WITHIN PROCEEDINGS

11. Pursuant to the terms of the Initial Order and section 23 of the CCAA, the Monitor has completed the following notice and service requirements:

a) following its appointment, the Monitor made a copy of the Initial Order, the Proposed Monitor's Report and a list of known creditors showing the names and amounts owing publicly available on the Monitor's website, www.ey.com/ca/TerraceHouse (the "**Website**");

b) on June 5, 2020, the Monitor:

i. sent, by mail, notice to every known creditor who has a claim against the Petitioners of more than $1,000 advising them that the Petitioners had filed a proceeding under the CCAA and that a copy of the Initial Order, along with other relevant documents are publicly available on the Monitor's Website. A copy of the notice to creditors is attached hereto as **Appendix "A"**; and

ii. published a notice in the Vancouver Sun, a copy of which is attached hereto as **Appendix "B"**. The second consecutive notice as required under the CCAA is scheduled to be published on June 12, 2020.

THE REVISED AND UPDATED CASH FLOW FORECAST

12. Following its appointment, the Monitor (on behalf of the Petitioners) consulted with the Terrace House Project's construction lender (the "**Construction Lender**") and the Proposed DIP Lender (defined below) with respect to the thirteen (13) week cash flow forecast filed by the Petitioners (the "**Initial Cash Flow Forecast**") with their application for the Initial Order. A revised "**Cash Flow Forecast**" for the period June 6, 2020 to September 4, 2020 (the "**Cash Flow Period**") has been developed in response to this consultation as attached hereto as **Appendix "C"** and summarized below:

	13 Week Total
Beginning Cash	**-**
Receipts	**-**
Disbursements	**($928,804)**
Insurance	(176,833)
Site preservation	(84,000)
Site office and storage costs	(26,000)
Consultants – city requirements	(15,000)
General, admin & miscellaneous	(65,000)
Permit costs	(10,000)
Contingency	(65,000)
Restructuring costs	(325,000)
Brokerage work fee	(100,000)
DIP interest & fee payments	(61,971)
Total Quantifiable Spending Budget	**($928,804)**
DIP Financing Draw	$1,192,021
Ending Cash after DIP Financing	**$263,217**
Secured Creditor Discretionary Contingency	(260,050)
Ending Cash Balance	**$3,617**

13. The Cash Flow Forecast projects that the Petitioners will have sufficient liquidity during the Cash Flow Period, subject to this Honourable Court's approval of the "**DIP Commitment Letter**" and the related DIP Lender's Charge, as discussed below.

14. The Monitor notes that the Construction Lender expressed its view that it was premature to commit to certain disbursements included in the Initial Cash Flow Forecast; and to that end, the Cash Flow Forecast re-allocated a number of expenses to a contingency of $260,050 (30% of the total quantifiable budget) to provide flexibility to the Petitioners to make cash outlays that are not specifically budgeted for should such outlays (including construction costs) be approved by the Monitor and the Construction Lender.

THE DIP COMMITMENT LETTER

15. In order to provide the required liquidity needed to fund these CCAA Proceedings, the Petitioners are seeking the approval of the DIP Commitment Letter pursuant to which Desjardins Financial Security Life Assurance Company (the "**DIP Lender**") has agreed to provide a debtor-in-possession financing facility (the "**DIP Facility**") required as set out in the Cash Flow Forecast. A copy of the DIP Commitment Letter is attached hereto as **Appendix "D"**.

16. The Monitor understands that the DIP Lender is part of the syndicate comprising the Construction Lender.

17. In addition to the approval of this proposed DIP Commitment Letter, the proposed Amended and Restated Initial Order provides for the creation of a related charge of $1,250,000 (the "**DIP Lender's Charge**").

18. The following is a summary of the material terms of the DIP Commitment Letter:

    a) the DIP Facility is a revolving credit facility with monies to be advanced in accordance with the Cash Flow Forecast;

    b) the maximum principal amount is $1,250,000 with a term of 4 months (or earlier if certain events occur as detailed in the DIP Commitment Letter);

    c) the interest rate is the higher of (a) the prime rate posted by the Fédération des caisses Desjardins du Québec plus 9.55% per annum, or (b) 12% per annum, accruing daily in arrears on the outstanding amount of the DIP Facility from time to time;

    d) a loan commitment fee of $25,000; and

    e) security consisting of a super priority charge in and a lien and security interest in all of the now owned or hereafter acquired assets, properties and undertakings of each of the Borrowers, real and personal, tangible or intangible, subordinate only to the Administration Charge of $250,000 (the "**DIP Lender's Charge**").

19. As is noted in the Proposed Monitor's Report, the Monitor solicited offers to achieve competing proposals from various DIP lenders. The Petitioners, along with their counsel and the Monitor, reviewed terms submitted from prospective DIP lenders and the Monitor's recommendation for this acceptance of the DIP Term Sheet was based on, among other things, the support of the Construction Lender, the maximum principal amount of the DIP loan, superior terms regarding fees and costs, and that the DIP Lender is already a secured creditor by way of the Construction Loan.

20. As described in the Cash Flow Forecast, the Petitioners have a critical and immediate need for DIP financing. Accordingly, the Monitor is of the view that the Petitioners' request for approval of the DIP Commitment Letter and the DIP Lender's Charge is required and reasonable in the circumstances. The Monitor is of the view that terms described above are fair and reasonable and there are no "hidden" fees (i.e. monitoring or standby fees) provided for therein.

STAY EXTENSION/AMENDED AND RESTATED INITIAL ORDER

21. The Amended and Restated Initial Order proposes certain amendments to the Initial Order. These proposed amendments include, *inter alia*, those described below.

Stay Extension

22. The Stay Period is currently set to expire on June 8, 2020. The Petitioners are requesting an extension of the Stay Period until September 3, 2020, being the approximate date the SISP is expected to complete.

23. The Monitor is of the view that the requested extension of the Stay Period is appropriate for the following reasons:

a) the Petitioners require the extension in order to continue their restructuring efforts and for the Monitor to administer the SISP;

b) the Petitioners have obtained DIP Financing and should this Honourable Court grant the proposed DIP Charge, the Petitioners will have access to sufficient liquidity to fund their restructuring efforts until September 3, 2020; and

c) the Petitioners have acted and continue to act and operate in good faith and with due diligence since the date of the Initial Order.

24. For the foregoing reasons, the Monitor supports the Petitioners' request for an order extending the Stay Period to September 3, 2020.

<u>DIP Lender's Charge</u>

25. The Petitioners' seek that this Honourable Court grant the DIP Lender's Charge, subordinated only to the Administration Charge. The DIP Term Sheet is conditional on the DIP Facility being secured by the DIP Lender's Charge.

26. The Petitioners' are unable to fund these CCAA proceedings and undertake the SISP absent the DIP Facility.

27. The Monitor is of the view that granting the DIP Lender's Charge is required to facilitate the Petitioners' restructuring proceeding herein, supported by the Construction Lender, and is reasonable in the circumstances.

CONCLUSIONS AND RECOMMENDATIONS

28. For the reasons stated herein, the Monitor supports the relief sought by the Petitioners and recommends that the Court grant the Amended and Restated Initial Order.

All of which is respectfully submitted this 5th day of June, 2020.

ERNST & YOUNG INC.
in its capacity as Monitor
of Port Capital Development (EV) Inc. and
Evergreen House Development Limited Partnership
and not in its personal or corporate capacity

Per:

Michael Bell, CPA, CA, CIRP LIT
Senior Vice President

Appendix A

Ernst & Young Inc.
700 West Georgia Street
Vancouver, BC V7Y 1C7

Tel: +1 604 891 8200
Fax: +1 604 899 3530
ey.com

June 5, 2020

To the creditors of:

Port Capital Development (EV) Inc., and
Evergreen House Development Limited Partnership
(Collectively, the "**Companies**" or "**Terrace House**")

RE: Proceedings under the *Companies' Creditors Arrangement Act*

Court File No. S-205095

Please be advised that the Companies filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act (Canada)* R.S.C. 1985, C-36, as amended, ("**CCAA**") pursuant to an order of the Supreme Court of British Columbia dated May 29, 2020 (the "**Initial Order**").

The Initial Order granted the Companies various relief, including, *inter alia*, imposing an initial 10-day stay of proceedings (the "**Stay Period**") against the creditors in respect to the Companies and its assets to June 8, 2020, appointing Ernst & Young Inc. as monitor (the "**Monitor**"), and providing the Companies an opportunity to prepare and file a plan of arrangement or compromise for the consideration of its creditors and other stakeholders. The Stay Period may be extended by the Court from time-to-time.

The Initial Order prohibits the Companies from making payments of amounts relating to the supply of goods or services prior to May 29, 2020, except as provided in the Initial Order.

Pursuant to the Initial Order, the Companies are to carry on business in a manner consistent with the commercially reasonable preservation of its respective business and assets.

You are being given notice of the Initial Order as you are a creditor of the Companies or the Initial Order may affect your rights.

We enclose herewith a Frequently Asked Questions document.

Further information with respect to this matter, including a copy of the Initial Order and a list of creditors and the amounts owing per the Companies' records can be found available on the Monitor's website: www.ey.com/ca/terracehouse.

No claims procedure has yet been submitted to, or approved by, the Court and creditors are therefore not required to file proofs of claim at this time.

Should you have any questions in this matter, please feel free to contact:

Mr. Jason Eckford – Manager
jason.eckford@ca.ey.com +604.648.3671

Building a better
working world

Yours very truly,

ERNST & YOUNG INC.
Acting in its capacity as Monitor of
Port Capital Development (EV) Inc., and
Evergreen House Development Limited Partnership
and not in their personal capacity

Per:

Mike Bell, CPA, CA, CIRP, LIT
Senior Vice President

Port Capital Development (EV) Inc. and
Evergreen House Development Limited Partnership
(collectively the "Terrace House")

Frequently Asked Questions

Overview

- Terrace House are subsidiaries of the Port Capital Group Inc. (the "**Port Capital Group**"). The Port Capital Group has not made a filing under the CCAA.
- The Terrace House Project has made a filing under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**").
- A filing under the CCAA will provide the Terrace House Project with the stability and breathing space that is needed to restructure.
- Ernst & Young Inc. ("**EYI**") has been appointed by the Court as "**Monitor**" in the CCAA proceedings of Terrace House. EYI is an international professional services firm and a leading restructuring firm in Canada.
- During this process, Terrace House will be working with EYI to develop a restructuring plan which may include obtaining further financing or equity investment.
- Terrace House is looking to secure a Debtor in Possession ("**DIP**") facility to finance the CCAA Proceedings. A DIP facility is a special form of financing, typically provided to companies who have made a filing under the CCAA.
- Further information, including copies of current and future public notices and Court Orders, are available on the Monitor's website at www.ey.com/ca/terracehouse.

General Questions

Q: What is CCAA?

A: The *Companies' Creditors Arrangement Act* ("**CCAA**") is federal legislation which allows Canadian Courts to grant a company protection from its creditors for a period of time.

The process involves the Court appointment of a Monitor who, in this instance, has been provided with enhanced powers to develop and implement a restructuring of the Terrace House Project. The Monitor serves as an Officer of the Court and reports to the Court on a regular basis and as directed by the Court.

Q: Who is EYI?

A: EYI has been appointed as Monitor in these CCAA proceedings. EYI is licensed by the Office of the Superintendent of Bankruptcy as Licensed Insolvency Trustees. EYI is an international professional services firm and a leading restructuring firm in Canada.

Q: What does "restructuring" mean?

A: It could mean many things including, but not limited to:

- obtaining further equity investment;
- recapitalizing Terrace House;
- selling all or parts of Terrace House's assets; or
- such other undertaking to create value for the stakeholders.

Q: How long will Terrace House be in CCAA?

A: That time is different for every company based on individual circumstances.

Q: Will Terrace House resume construction?

A: It is Terrace House's intent to continue operations and resume construction; however the viability of resuming construction is dependent on the success of its restructuring efforts.

Terrace House or EYI will inform you in the future if circumstances change.

Supplier Questions

Q: How does this effect me?

A: Any amounts owed to you for services or goods that you supplied to Terrace House before May 29, 2020 are subject to a court-ordered stay of proceedings (i.e. frozen pending further determination.)

All collection proceedings, claims and court actions of creditors are stayed and no actions may be commenced against Terrace House during this process without leave of the Court.

Pursuant to the terms of the Order, creditors are prevented from terminating, amending or accelerating contracts or otherwise interrupting the supply of goods or services to Terrace House. Terrace House is looking to secure a DIP Facility to be available during the restructuring process to assist in fulfilling its obligations.

Q: Will I be paid for services or goods supplied on or after May 29, 2020?

A: Goods and services that you supply to Terrace House on or after May 29, 2020 are not subject to the stay provisions of the CCAA Order, and Terrace House will continue to make payments in accordance with normal credit terms.

Q: **If the date of my invoice is on or after May 29, 2020 will I get paid?**

A: The cut-off for purposes of the determination of post-May 29, 2020 purchases is the date of receipt of the goods and services provided to Terrace House, not the date of the invoice or receipt of the invoice.

Q: **How much of the money owed to me from before May 29, 2020 will I receive?**

A: It is too early to say what the payout may be on your claim. The actual quantum available to a specific creditor will be determined following the completion of a claims process (which has not been initiated) and the ultimate outcome of these CCAA proceedings.

Q: **I am a creditor of Terrace House, how do I file a proof of Claim?**

A: At the current time there is no need to file claims with Terrace House. A claims process as determined by the Court will be commenced as part of the CCAA proceedings in the future and you will receive a copy of a proof of claim to be filed with Terrace House or the Monitor. We are not able to tell you at this time the date on which these documents will be sent out.

Q: **How do I know that if I supply goods or services to Terrace House during the restructuring that I will be paid?**

A: Terrace House is looking to secure a DIP Facility that is available to Terrace House during the restructuring process to fund its on-going operations and to explore all possible opportunities.

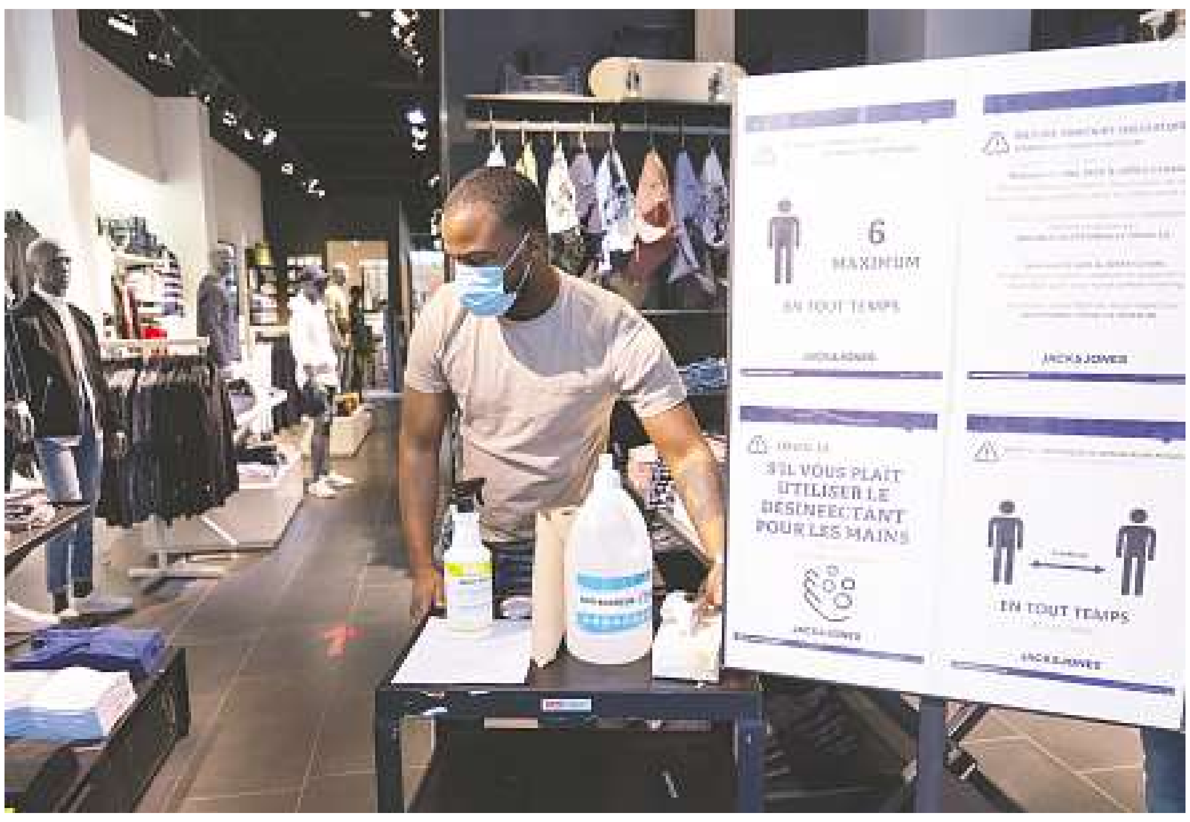
Q: **Who can I contact for updates on these proceedings?**

A: For questions or additional information, you can contact:

Inquiries of the Monitor (EYI)	• **Jason Eckford,** Manager, 604-648-3671 Jason.Eckford@ca.ey.com

Further information, including copies of current and future public notices and Court Orders, are available on the Monitor's website at www.ey.com/ca/terracehouse.

Appendix B



A worker prepares to reopen a clothing store late last month in Montreal. *PAUL CHIASSON/THE CANADIAN PRESS*

Labour market begins to heal from shutdowns

ERIK HERTZBERG AND SHELLY HAGAN

Canada's labour market is showing clear signs of healing as lockdowns begin to lift in an economy awash in money from government support programs.

A Bloomberg News poll taken at the end of May found that 30 per cent of respondents who had lost their job or seen hours decline because of the coronavirus pandemic said they were re-employed or working more. The survey, conducted by Nanos Research, is consistent with other high-frequency data from Indeed Canada and Google that suggest a stabilization in labour conditions and economic activity over the past few weeks.

Any recovery would be a reassuring development for a country that's experienced a historic employment crash, with more than one quarter of workers either losing their jobs or recording a substantial reduction in hours worked. Still, given the massive drop in employment, some type of rebound was inevitable and it remains too early to declare a substantial comeback.

"Research suggests that the initial shock of job loss and fewer working hours is wearing off as some Canadians' job prospects start to brighten," said Nik Nanos, chief data scientist at Nanos Research. "It is too early to tell whether this trajectory will continue to a recovery or flatten into a new more depressed jobs normal."

To be sure, the recent pickup in activity may have been too late in the month to be captured by Statistics Canada's latest labour force reading, which is due Friday. The StatCan survey, conducted between May 10 and May 16, coincided with the restart of Quebec's construction industry but took place before the phased opening plan in Ontario, according to a report by Dominique Lapointe, an economist at Laurentian Bank Securities in Montreal.

Economists anticipate the StatCan numbers will show continued damage, with an additional 500,000 jobs lost during the month, according to the median estimate of a Bloomberg survey. That will add to a decline in employment of one million in March and a loss of two million in April. Another 2.5 million Canadians are reporting working less than half their usual hours for reasons related to COVID-19, according to StatCan.

The Nanos poll, which was taken May 26 to May 28, found that 25 per cent of respondents had lost jobs or saw hours reduced at one point since the start of the pandemic. Of those, about three in 10 have since been rehired or are working more hours.

In the survey, 41 per cent said their employment or hours weren't affected at all by the coronavirus. About one third said they were retired or not in the labour force before the crisis hit.

Bloomberg

Bank of Canada policy-makers 'hopeful' worst case can be avoided

Bank of Canada policy-makers emerged from interest rate deliberations this week hopeful the economy will avoid the most-severe outcome, with financial market functioning normalizing and amid signs the nation's income support programs are working.

The latest data suggest that while the impact from the COVID-19 pandemic has been severe, it seems to have peaked as countries reopen their economies, deputy governor Toni Gravelle said Thursday in prepared remarks of a speech aimed at providing insight into the rate discussions.

Financial conditions have also begun to improve, Gravelle said in the central bank's latest Economic Progress Report. Support programs, meanwhile, seem to be in line with the scale of the labour income lost during the crisis.

"Naturally, my colleagues on Governing Council and I talked a lot about where we think the economy will go from here," Gravelle said in a speech Wednesday.

"And we saw some reasons to be hopeful that the worst can be avoided."

At its decision this week, the central bank pared back estimates of the scale of the downturn, prompting policy-makers to wind down some market operations.

Bloomberg

Looking to rev up your life? Our Tuesday and Friday Driving sections have all the car news you need.

Appendix C

In the matter of the CCAA of Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership
Weekly Cash Flow Projection for the Period June 6, 2020 to September 4, 2020
$CAD

	Week Ending	1 12-Jun-20 Forecast	2 19-Jun-20 Forecast	3 26-Jun-20 Forecast	4 3-Jul-20 Forecast	5 10-Jul-20 Forecast	6 17-Jul-20 Forecast	7 24-Jul-20 Forecast	8 31-Jul-20 Forecast	9 7-Aug-20 Forecast	10 14-Aug-20 Forecast	11 21-Aug-20 Forecast	12 28-Aug-20 Forecast	13 4-Sep-20 Forecast	Total
Receipts															
Rent	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disbursements															
Insurance	2	-	(176,833)	-	-	-	-	-	-	-	-	-	-	-	**(176,833)**
Site preservation	3	-	(21,000)	-	-	(21,000)	-	-	-	(21,000)	-	-	-	(21,000)	**(84,000)**
Site office and storage costs	4	-	(6,500)	-	-	(6,500)	-	-	-	(6,500)	-	-	-	(6,500)	**(26,000)**
Consultants - city requirements	5	-	(5,000)	-	-	-	(5,000)	-	-	-	(5,000)	-	-	-	**(15,000)**
General, admin & miscellaneous expenses	6	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	**(65,000)**
Permit costs	7	-	(10,000)	-	-	-	-	-	-	-	-	-	-	-	**(10,000)**
Contingency	8	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	**(65,000)**
		(10,000)	**(229,333)**	**(10,000)**	**(10,000)**	**(37,500)**	**(15,000)**	**(10,000)**	**(10,000)**	**(37,500)**	**(15,000)**	**(10,000)**	**(10,000)**	**(37,500)**	**(441,833)**
Restructuring Disbursements															
Restructuring costs	9	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	**(325,000)**
Brokerage work fee	10	-	-	(100,000)	-	-	-	-	-	-	-	-	-	-	**(100,000)**
		(25,000)	**(25,000)**	**(125,000)**	**(25,000)**	**(25,000)**	**(25,000)**	**(25,000)**	**(25,000)**	**(25,000)**	**(25,000)**	**(25,000)**	**(25,000)**	**(25,000)**	**(425,000)**
Net Cash Flow		**(35,000)**	**(254,333)**	**(135,000)**	**(35,000)**	**(62,500)**	**(40,000)**	**(35,000)**	**(35,000)**	**(62,500)**	**(40,000)**	**(35,000)**	**(35,000)**	**(62,500)**	**(866,833)**
Cash Balance															
Opening Available Cash Balance		-	15,000	10,667	25,667	65,667	78,167	38,167	3,167	18,167	5,667	5,667	667	15,667	**-**
Net Cash Flow		(35,000)	(254,333)	(135,000)	(35,000)	(62,500)	(40,000)	(35,000)	(35,000)	(62,500)	(40,000)	(35,000)	(35,000)	(62,500)	**(866,833)**
DIP Draw/(Payback)	11	50,000	250,000	150,000	75,000	75,000	-	-	50,000	50,000	40,000	30,000	50,000	50,000	**870,000**
Closing Available Cash Balance		**15,000**	**10,667**	**25,667**	**65,667**	**78,167**	**38,167**	**3,167**	**18,167**	**5,667**	**5,667**	**667**	**15,667**	**3,167**	**3,167**
DIP Balance															
Opening Balance		-	50,000	345,115	495,909	572,051	648,367	649,859	651,355	702,854	754,471	796,208	828,040	879,946	**-**
Draw/(Payback)	11	50,000	250,000	150,000	75,000	75,000	-	-	50,000	50,000	40,000	30,000	50,000	50,000	**870,000**
Legal Fees	11	-	20,000	-	-	-	-	-	-	-	-	-	-	-	**20,000**
Commitment Fee	11	-	25,000	-	-	-	-	-	-	-	-	-	-	-	**25,000**
DIP Interest	11	-	115	794	1,141	1,316	1,492	1,496	1,499	1,618	1,736	1,832	1,906	2,025	**16,971**
DIP Balance		**50,000**	**345,115**	**495,909**	**572,051**	**648,367**	**649,859**	**651,355**	**702,854**	**754,471**	**796,208**	**828,040**	**879,946**	**931,971**	**931,971**
													Secured Creditor Discretionary Contingency (30%)		**260,050**
													Total DIP Requirement		**1,192,021**

In the Matter of CCAA of the Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership (the "Petitioners")

Notes to the Unaudited Cash Flow Forecast of the Petitioners

Disclaimer:

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Petitioners have relied upon unaudited financial information and the Petitioners have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Petitioners and additional assumptions discussed below with respect to the requirements and impact of a Companies' Creditor Arrangement Act ("**CCAA**") filing. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

The Cash Flow Forecast includes the receipts and disbursements of all the Petitioners during the Cash Flow Forecast Period (the "**Period**"). The Petitioners, with the assistance of Ernst & Young Inc., in its capacity as the proposed monitor of the Petitioners (the "**Proposed Monitor**" and if appointed, the "**Monitor**"), have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the CCAA proceedings and the ongoing construction project (Terrace House).

The Cash Flow Forecast assumes that the Petitioners obtain a stay of proceedings under the CCAA until September 3, 2020. The Cash Flow Forecast covers the period from June 6, 2020 to September 4, 2020 (the "**Period**").

1. **Receipts**: No receipts are forecasted over the Period. Certain receipts for items including GST refunds may be received over the Period but are not accounted for in the Cash Flow Forecast.

2. **Insurance:** Amount has been estimated for a renewal of site specific insurance policies based on historical run rates.

3. **Site Preservation:** includes site security, scaffolding and fence rental, formworks rental and other items related to site preservation.

4. **Site office and storage costs**: includes rental costs for the on-site office and costs associated with the storage of acquired glass and related materials.

5. **Consultants – City Requirements**: Represents management's estimates of required cash outlay to meet basic city requirements.

6. **General, Admin & Miscellaneous Expenses**: Includes equipment repairs & maintenance, office expenses and other miscellaneous items. These have been estimated based on historical run rates.

7. **Permit Costs**: Relates to costs to the City of Vancouver for permits, including street use permits.

8. **Contingency:** A small weekly contingency is built into the Cash Flow Forecast for unforeseen expenses.

9. **Restructuring Costs**: Represents professional fee payments to counsel to the Petitioners, the Monitor and the Monitor's counsel.

10. **Brokerage Fee:** Represents fees paid to a brokerage firm to market and solicit offers pursuant to the sale and investment solicitation process.

11. **DIP Interest and Fees:** Interest and fees associated with the DIP facility.

Appendix D

DIP COMMITMENT LETTER

Dated as of June 5, 2020

WHEREAS the Borrowers (as defined below) have requested that the DIP Lender (as defined below) provide financing to fund certain of the Borrowers' obligations during the pendency of the Borrowers' proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") in the Supreme Court of British Columbia (the "**Court**") Vancouver Registry Action No. VLC-S-S205095 and in accordance with the terms and conditions set out herein;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of such consideration is hereby acknowledged), agree as follows:

DEFINITIONS:	Capitalized terms not otherwise defined herein shall have the following meanings: "**Administration Charge**" shall have the meaning ascribed to such term in the ARIO but in no event shall the amount secured by such charge exceed $250,000, except with the written consent of the DIP Lender; "**Business Day**" means each day other than a Saturday or Sunday or a statutory or civic holiday in Vancouver, British Columbia or Montreal, Quebec; "**Default**" means an event which, with the giving notice and/or lapse of time would constitute an Event of Default (as defined herein); "**DIP Fees and Expenses**" means all reasonable and documented fees, including the Commitment Fee, disbursements, out-of-pocket expenses incurred by the DIP Lender (including reasonable and documented legal, consulting, advisor and other professional fees and expenses, on a full indemnity basis), in connection with the CCAA Proceedings (including preparation for and attendance at the CCAA Court), due diligence, negotiation and documenting of this DIP Commitment Letter, the DIP Facility Documentation and all related documentation, the on-going monitoring and administration of each of the DIP Facility and the DIP Facility Documentation, and the enforcement of the DIP Priority Charge and DIP Security Documents. "**DIP Obligations**" means all obligations of the Borrowers to the DIP Lender (or any affiliate of the DIP Lender), under or in connection with this DIP Commitment Letter or the other DIP Facility Documentation, including all debts and liabilities,

	present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrowers to the DIP Lender in any currency or remaining unpaid by the Borrowers to the DIP Lender under or in connection with this DIP Commitment Letter or the other DIP Facility Documentation whether arising from dealings between the DIP Lender (or any affiliate of the DIP Lender) and the Borrowers or from any other dealings or proceedings by which the DIP Lender (or any affiliate of the DIP Lender), or any of them, may be or become in any manner whatever a creditor of the Borrowers pursuant to this DIP Commitment Letter or the other DIP Facility Documentation, and wherever incurred, and whether incurred by the Borrowers alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto (including, without limitation, all DIP Fees and Expenses). "**Monitor**" means Ernst & Young, Inc., in its capacity as Monitor of the Borrowers.
DIP BORROWERS:	Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership (together, the "**Borrowers**").
DIP LENDER:	Desjardins Financial Security Life Assurance Company (referred to herein as the "**DIP Lender**")
PURPOSE:	The proceeds of the DIP Advances (as defined below) shall be used solely for the purposes set forth in the Cash Flow Projections (as defined below) and other DIP Lender approved materials including, without limitation: (i) for ordinary course working capital and other general corporate purposes of the Borrowers in accordance with, and subject to the limitations set forth in, the Cash Flow Projections, the ARIO (as defined below) or any other order granted by the Court in the CCAA Proceedings, and (ii) to pay transaction costs, fees and expenses (including professional fees and fees and expenses owing to the DIP Lender pursuant to the terms of this DIP Commitment Letter or other DIP Facility Documentation (as defined below)) incurred in connection with the DIP Facility (as defined below), the CCAA Proceedings and the transactions contemplated thereunder.
COMMITMENT FEE	The Borrowers shall pay to the DIP Lender an initial commitment fee (the "**Commitment Fee**") of $25,000. The Commitment Fee shall be non-refundable, fully earned and payable no later than the Application Date and may be paid from the amount advanced by the DIP Lender to the Borrowers under the first DIP Advance.

DIP FACILITY, MAXIMUM AMOUNT AND COMMITMENTS:	A super-priority (debtor-in-possession) term credit facility (the "**DIP Facility**") up to a principal amount of $1,250,000 comprised of a maximum commitment of $965,000 (the "**Maximum Commitment**") plus a discretionary bulge of a principal amount of $285,000, which amount may be advanced at the Borrower's request only at the sole and unfettered discretion of the DIP Lender (the "**Discretionary Bulge**"), all subject to the terms and conditions contained herein. All advances by the DIP Lender under the DIP Facility shall be made in increments of $50,000 and shall be made to the Monitor in trust for the Borrowers in accordance with the ARIO and shall be referred to herein as "**DIP Advances**", and each of which shall be individually referred to herein as a "**DIP Advance**". Unless otherwise ordered by the Court, no more than $50,000 in DIP Advances shall be advanced until the 11th day after the date on which the ARIO is made. For the avoidance of doubt and notwithstanding any other term herein the DIP Lender shall be under no obligation at any time to advance the Discretionary Bulge.
MATURITY DATE:	All amounts owing to the DIP Lender under the DIP Facility shall be due and payable in full on the earliest of the occurrence of any of the following (such earliest date being the "**Maturity Date**"): (i) the date on which the DIP Lender demands repayment of the DIP Facility after the occurrence of an Event of Default (as defined below); (ii) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majorities of the Borrowers' respective creditors, by an order made by the Court, and by the DIP Lender; and (iii) October 8, 2020, or such other later date as may be communicated in writing by the DIP Lender at its sole and unfettered discretion, provided that such later date shall not be later than December 8, 2020. The commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding and any interest, fees and costs owing under or in connection with the DIP Facility shall be repaid in full by no later than the Maturity Date, without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the obligations hereunder are due and payable. The DIP Obligations under this DIP Commitment Letter and the obligations under any other DIP Facility Documentation shall not be fully and finally discharged, and the DIP Priority Charge shall not be released, until all DIP Obligations have been satisfied in full.

INTEREST RATE:	The higher of (a) the prime rate posted by the Fédération des caisses Desjardins du Québec plus 9.55% per annum, or (b) 12% per annum, accruing daily in arrears on the outstanding amount of the DIP Facility from time to time (the "**Interest Rate**"). Interest shall be calculated daily at the Interest Rate and for the actual number of days elapsed in the period during which it accrues based on a year of 365 days and interest shall compound on each payment date, to the extent not paid when due. For purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this DIP Commitment Letter and the other DIP Facility Documentation (and stated herein or therein, as applicable, to be computed on the basis of a 360 day year or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively. If any provision of this DIP Commitment Letter or any of the DIP Facility Documentation would obligate the Borrowers to make any payment to the DIP Lender of an amount that constitutes "interest", as such term is defined in the *Criminal Code* (Canada) and referred to in this section as "Criminal Code interest", during any one-year period after the date of the first DIP Advance in an amount or calculated at a rate which would result in the receipt by the DIP Lender of Criminal Code interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this section as a "criminal rate"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the DIP Lender during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, by reducing any fees and other amounts (if any) required to be paid to the DIP Lender during such one-year period which would constitute Criminal Code interest.
PAYMENTS:	The Borrowers shall pay to the DIP Lender by 12:00 noon. (Vancouver time) on the first day of each calendar month all outstanding interest then due and payable. Subject to the terms herein, the Borrowers may prepay in full, but not in part, without notice or penalty all amounts outstanding under the DIP Facility at any time prior to the Maturity Date.

	Mandatory prepayments of outstanding DIP Advances and other DIP Obligations shall be required to be made by the Borrowers in an amount equal to: (i) 100% of the net sale proceeds from sales of the Collateral (if any); and (ii) 100% of insurance proceeds and expropriation proceeds (if any) in respect of the Collateral (if any).
APPLICATION OF PAYMENTS:	All payments or prepayments on account of the DIP Facility shall be made by the Borrowers to the DIP Lender in accordance with the terms herein, and such amounts shall be applied and/or allocated by the DIP Lender to the Borrowers' indebtedness to the DIP Lender in its sole discretion, which allocation shall be provided by the DIP Lender to the Borrowers and the Monitor on request.
DIP SECURITY:	All obligations of the Borrowers under or in connection with the DIP Facility and this DIP Commitment Letter and any other definitive security or other documents, agreements, registrations, financing statements and instruments in respect of the DIP Facility (collectively, the "**DIP Facility Documentation**") shall, subject to the provisions of this DIP Commitment Letter, be secured by a first-ranking super priority charge (the "**DIP Priority Charge**") in and a lien and security interest in all of the now owned or hereafter acquired assets, properties and undertakings (collectively, the "**Collateral**") of each of the Borrowers, real and personal, tangible or intangible (the "**DIP Security**"), subordinate only to the Administration Charge. For the avoidance of doubt, the Borrowers hereby mortgage and charge to the DIP Lender, and grant to the DIP Lender a security interest in, and the DIP Lender takes a security interest in, all of the Borrowers' right, title and interest in and to the Collateral which security interest is and shall be a general and continuing security for payment, performance and satisfaction of each and every obligation, indebtedness and liability of the Borrowers to the DIP Lender (including interest thereon), arising pursuant to or in connection with the DIP Facility, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof, including all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Borrowers be bound alone or with another or others and whether as principal or surety and such security interest shall be part of the DIP Security. The Borrowers waive all rights to receive from the DIP Lender a copy of any financing statement, financing change statement or verification

	statement filed or issued, as the case may be, at any time in respect of the DIP Facility.
DIP ADVANCES UNDER THE DIP FACILITY:	The Monitor may request a DIP Advance by providing notice to the DIP Lender before 9:00 a.m. Pacific Time on the second Business Day prior to the date each DIP Advance is to be made. DIP Advances shall only be requested and made in increments of $50,000. DIP Advances shall be paid to the Monitor in trust for the Borrowers in accordance with the ARIO and deposited into a bank account to be designated by the Monitor at a financial institution approved by the DIP Lender (the "**Borrowers' Account**") and utilized by the Borrowers with the consent of the Monitor in accordance with the terms of this DIP Commitment Letter and the ARIO. The Borrowers' Account shall be subject to the DIP Priority Charge. Each DIP Advance by the DIP Lender to the Monitor shall be conditional upon the satisfaction of the Conditions Precedent (as defined below). Each of the DIP Advances shall be a draw term loan and may not be re-borrowed once repaid.
CONDITIONS PRECEDENT TO DIP ADVANCES:	The DIP Lender's agreement to make DIP Advances is subject to satisfaction of the following conditions precedent, as determined by the DIP Lender in its sole discretion (the "**Conditions Precedent**"): 1. the Borrowers' application materials in connection with their application or an Amended and Restated Initial Order (**"ARIO"** which for greater certainty shall include the DIP Order, as defined below), substantially in the form attached hereto as **Schedule "A"**, shall be satisfactory to the DIP Lender and such application shall be made on or before June 8, 2020 (the date on which the application is actually made being the "**Application Date**"); 2. the Court shall have issued the ARIO, which must be satisfactory to the DIP Lender, and which ARIO shall not have been amended, restated or modified without the consent of the DIP Lender; 3. the Court shall have issued and entered an order within three calendar days of the Application Date, in form and substance satisfactory to the DIP Lender, approving this DIP Commitment Letter and the DIP Facility, granting the DIP Priority Charge on the Collateral of the Borrowers securing all obligations owing by the

	Borrowers to the DIP Lender hereunder including, without limitation, all principal, interest and DIP Lender's fees and expenses (the "**DIP Order**") and such order shall not have been amended, restated or modified without the consent of the DIP Lender. Without limiting the foregoing, the DIP Order shall provide that the DIP Priority Charge shall have priority over all liens, charges, mortgages, encumbrances, hypothecs, and security interests of every kind and nature whatsoever granted by the Borrowers or against the Collateral of the Borrowers (collectively, "**Liens**") in form and substance satisfactory to the DIP Lender subject in priority only to the Administration Charge on the Collateral of the Borrowers; 4. the DIP Facility Documentation shall be satisfactory to the DIP Lender in its sole and absolute discretion and shall have been executed by the Borrowers, as applicable, and the DIP Lender; 5. the DIP Lender shall have received and approved an initial 13 week cash flow projection prepared by the Borrowers with the assistance of the Monitor reflecting the Borrowers' projected cash requirements, the projected receivables and the projected disbursements of the Borrowers, in each case calculated on a weekly basis, in form and substance, and containing such details as shall be, satisfactory to and approved by the DIP Lender attached as **Schedule "B"** (the "**Cash Flow Projection**"); 6. following the first DIP Advance, the DIP Lender shall have received and approved updated Cash Flow Projections every four weeks, on a 13 week rolling basis, which approval will be granted provided that the Cash Flow Projections are not inconsistent with the previous Cash Flow Projections provided to the DIP Lender; 7. the DIP Lender shall be satisfied that the Borrowers have complied with and are continuing to comply in all material respects with all applicable laws, regulations and policies in relation to their business; 8. the DIP Lender continues to be satisfied that there are no Liens ranking ahead of the DIP Security, except as provided for herein; 9. the DIP Lender shall have received from the Borrowers and the Monitor a drawdown certificate (the "**Drawdown Certificate**") requesting a DIP Advance,

	with such drawdown certificate to be in substantially the form attached hereto as **Schedule "C"** and executed by an officer of each of the Borrowers and by the Monitor; 10. the requested DIP Advance shall not, if advanced, cause the aggregate amount of all DIP Advances to exceed the Maximum Commitment plus the Discretionary Bulge; 11. the DIP Lender shall have received evidence satisfactory to it in its sole discretion that the Borrowers' Account has been opened by the Monitor; 12. all reasonable legal fees and expenses owing to Gowling WLG (Canada) LLP ("**Gowling WLG**"), as legal counsel to the DIP Lender, in relation to this DIP Facility and evidenced by an invoice from Gowling WLG shall have been paid to Gowling WLG directly in accordance with such invoice or shall be paid to the DIP Lender for remittance to GowlingWLG from the proceeds of the requested DIP Advance; 13. all DIP Fees and Expenses shall have been paid to the DIP Lender or will be paid from the proceeds of the requested DIP Advance; 14. the Borrowers shall be in compliance with all covenants hereunder; 15. all representations and warranties contained in this DIP Commitment Letter or the DIP Facility Documentation shall remain true and correct in all material respects as of the date of each DIP Advance request and the date of the issuance of each DIP Advance, except that the accuracy of representations and warranties that by their terms speak as of a specified date will be determined as of such date; 16. no Default or Event of Default shall have occurred and be continuing or would result from the making of any requested DIP Advance; 17. the DIP Lender shall have received all "know your client", anti-money laundering and related information requested by it in respect of the Borrowers; 18. the DIP Lender shall have received all required officer certificates and resolutions reasonably requested in connection with this DIP Commitment Letter and the DIP Facility Documentation; and

	19. for greater certainty, the DIP Lender shall not be obligated to make any DIP Advance unless and until all of the foregoing conditions have been satisfied at the time the DIP Advance is to be made.
REPRESENTATIONS AND WARRANTIES:	Each of the Borrowers hereby represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this DIP Commitment Letter and the other DIP Facility Documentation, and subject to the ARIO and the DIP Order, that: 1. the transactions contemplated by this DIP Commitment Letter and other DIP Facility Documentation, including the DIP Security: (a) are within the powers of the respective Borrowers; (b) have been duly authorized by all necessary corporate approval; (c) have been duly executed and delivered by or on behalf of the Borrowers; (d) upon the granting of the DIP Order, constitute legal, valid and binding obligations of the Borrowers, enforceable in accordance with their terms; (e) upon the granting of the DIP Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings that may be made to register or otherwise record the DIP Security; (f) will not violate the charter documents or by-laws of each of the Borrowers or any applicable law relating to the Borrowers; 2. the business operations of the Borrowers have been and will continue to be conducted in material compliance with all laws of each jurisdiction in which business has been or is carried on; 3. each Borrower has obtained and maintains all licenses and permits, if any, required for the operation of its business, if any, which licenses and permits remain in full force and effect and no proceedings have been commenced or threatened to revoke or amend any such licenses or permits; 4. no Borrower maintains a pension plan;

	5. each Borrower has filed all tax returns and paid all taxes owing for all prior fiscal periods, except taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained; 6. each Borrower maintains and shall continue to maintain adequate insurance coverage, of such type, in such amounts and against such risks as is prudent for a business of its nature with reputable insurers and contain coverage and scope acceptable to the DIP Lender; 7. each Borrower has maintained its obligations for payroll, source deductions, retail sales tax, and Goods and Services Tax, and is not in arrears of its statutory obligations to pay or remit any amount in respect of these obligations; 8. all of the third-party lenders to the Borrowers and all contractual arrangements with such parties have been disclosed by the Borrowers to the DIP Lender; 9. other than as stayed pursuant to the ARIO, the Borrowers are not aware of any now pending or, to the knowledge of any of the senior officers or directors of any Borrower, threatened against any Borrower, nor has any Borrower received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body, which would be reasonably likely to result in, individually or in the aggregate, a Material Adverse Change; and 10. no Default or Event of Default has occurred and is continuing.
AFFIRMATIVE COVENANTS:	Each of the Borrowers hereby covenants and agrees to, and the DIP Order shall: 1. allow the DIP Lender full access to the books and records of the Borrowers and cause management thereof to fully co-operate with the DIP Lender; 2. promptly keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers and the CCAA Proceedings; 3. deliver to the DIP Lender the reporting and other information from time to time reasonably requested by the DIP Lender and as set out herein (including, without limitation, the Cash Flow Projections and

	summaries of sales and accounts receivable and any information pertaining to Borrowers and the reporting obligations required herein) at the times requested, or set out herein, as applicable, and in form and substance satisfactory to the DIP Lender; 4. use the proceeds of the DIP Facility only for the purposes described herein in a manner consistent with the restrictions set out herein and the Cash Flow Projections; 5. comply with the provisions of the Court orders made in connection with the CCAA Proceedings (collectively, the "**Restructuring Court Orders**" and each a "**Restructuring Court Order**"); provided that if any such Restructuring Court Order contravenes this DIP Commitment Letter or the DIP Facility Documentation in a manner detrimental to the DIP Lender, the same shall be an Event of Default hereunder; 6. preserve, renew and keep in full force its corporate existence and its existing licenses, if any, which are material to the operation of the Borrowers' business and any licences it obtains in the future which are material to the operation of the Borrowers' business; 7. maintain at all times adequate insurance coverage of such type, in such amounts and against such risks as is prudent for a business of its nature with reputable insurers in coverage and scope acceptable to the DIP Lender; 8. cause the DIP Lender to be listed as the loss payee and additional insured on the insurance policies of the Borrowers on or before the Application Date; 9. conduct all activities in accordance with the Cash Flow Projections previously approved by the DIP Lender and the Monitor and the credit limits established under the DIP Facility as set out hereunder; 10. duly and punctually pay or cause to be paid to the DIP Lender all principal, interest, fees and other amounts payable by it under this DIP Commitment Letter or under any other DIP Facility Documentation on the dates, at the places and in the amounts and manner set forth in such documents (including, without limitation, all DIP Fees and Expenses within five

	Business Days of receipt by the Borrower of a request for such payment from the DIP Lender); 11. forthwith notify the DIP Lender of the occurrence of any Default or Event of Default, or Material Adverse Change or of any event or circumstance that may constitute an adverse change from the Cash Flow Projections and any change or proposed change in any arrangement for the supply of goods and/or services to the Borrowers or a supplier's support for the Borrowers' restructuring; 12. comply in all material respects with all applicable laws, rules and regulations applicable to its business; 13. provide the DIP Lender draft copies of all motions, applications, proposed orders (including, without limitation, the draft ARIO, the DIP Order and any other Restructuring Court Orders) and Monitor Reports and any other materials or documents that any Borrower intends to file in the CCAA Proceedings at least two Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible; 14. take all actions necessary or available to defend the ARIO, the DIP Order and any Restructuring Court Order from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in advance by the DIP Lender; 15. execute and deliver loan and collateral security documentation (including any guarantees in respect of the indebtedness, obligations and liabilities of the Borrowers arising under, or in connection with, the DIP Facility and the other DIP Facility Documentation) in a manner satisfactory in all respects to the DIP Lender, acting reasonably; and 16. promptly upon becoming aware, provide to the DIP Lender details of, (i) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Borrower, by or before any court, tribunal, governmental entity or regulatory body, which would be reasonably likely to result in, individually or in the aggregate, a Material Adverse Change; and (ii) any existing (or threatened in writing) default or dispute with respect to any material contracts of any Borrower.

REPORTING REQUIREMENTS:	While any portion of the DIP Facility or any interest thereon remains outstanding, the Borrowers shall: (a) in conjunction with the Monitor, provide to the DIP Lender by no later than 2:00 p.m. Pacific Time on the Wednesday bi-weekly, a weekly variance report including a description of and reason for any variance from Cash Flow Projections to the actual cash flows, receivables and disbursements for such prior week; and (b) in conjunction with the Monitor, provide to the DIP Lender an updated, rolling 13 week, Cash Flow Projections every four weeks following delivery of the initial Cash Flow Projections;
NEGATIVE COVENANTS:	Each of the Borrowers agrees not to do the following other than with the prior written consent of the DIP Lender: 1. allow the transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking over $100,000 at any one time or through a series of related transactions, or more than $1,000,000 in the aggregate, excluding transfers, leases and dispositions (a) in the ordinary course of business and (b) in accordance with the Sale and Investment Solicitation Process as set out in the ARIO; 2. make any payments outside the ordinary course of business, subject always to the ARIO and the Cash Flow Projections; 3. make any payments on account of bonuses or new retainers (other than payments in respect of amounts subject to the Administration Charge) or establish or create any trust accounts; 4. permit any new Liens to exist on any of its properties or assets other than the Administration Charge and Liens in favour of the DIP Lender as contemplated by this DIP Commitment Letter and other DIP Facility Documentation; 5. create or permit to exist any other claim, administrative or otherwise, which is senior to or *pari passu* with the super priority claims of the DIP Lender, other than as provided in the Administration Charge; 6. amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity; 7. establish any defined benefit pension plan;

	8. other than as permitted by the Restructuring Court Orders and the Cash Flow Projections, make any payments of bonuses of any kind whatsoever to any directors, officers or employees of the Borrowers; 9. make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise) to any Borrower or affiliate of any Borrower or otherwise; or (ii) a retirement, redemption, purchase or repayment of other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon) to any Borrower or affiliate of any Borrower; or (iii) any other payments, loans or transfers any affiliate of any Borrower which is not subject to the ARIO, in each case other than with the prior consent of the DIP Lender or as permitted under the Cash Flow Projections, the ARIO or further Order of the Court; 10. cease (or threaten to cease) to carry on their business or activities as they are currently being conducted or change their operations or business practices without the prior approval of the DIP Lender and in accordance with the ARIO; 11. seek, or consent to the appointment of, a receiver or trustee in bankruptcy without the prior consent of the DIP Lender; or 12. transfer the proceeds of any DIP Advance to any other account of any Borrower or any Loan Party other than the Borrowers' Account.
INDEMNITY:	Each of the Borrowers agrees to indemnify and hold harmless, the DIP Lender and its affiliates and officers, directors, employees, representatives, advisors, consultants, solicitors, agents and affiliates (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquires), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against any of the Indemnified Persons as a result of, in connection with, or in any way related to credit having been extended, suspended or terminated under the DIP Facility, the proposed or actual use of proceeds of the DIP Facility, this DIP Commitment Letter, the CCAA Proceedings, any bankruptcy or insolvency proceedings, or the DIP Facility Documentation and upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out of pocket fees and expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or

	investigation) or claim (whether or not such Indemnified Person is a party to such action or proceeding out of which such expenses arise. Notwithstanding the foregoing, the Borrowers shall have no obligation to indemnify any Indemnified Person against any such loss, liability cost or expense (x) to the extent they are found by a final judgment of a court of competent jurisdiction to arise from the gross negligence, bad faith or willful misconduct of such Indemnified Person or (y) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrowers. The DIP Lender shall not be responsible or liable to the Borrowers or any other person for consequential or punitive damages.
EVENTS OF DEFAULT:	The occurrence of any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Commitment Letter: 1. the entry of an order (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against any Borrower or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receiving order against or in respect of any Borrower, (ii) granting any other claim super priority status or a lien equal or superior to that granted to the DIP Lender other than the Administration Charge, or (iii) staying, reversing, vacating or otherwise modifying this DIP Commitment Letter or the DIP Facility Documentation, any Court Order (including the ARIO and the DIP Priority Charge) or the entry of an order by the Court having the equivalent effect, without the prior written consent of the DIP Lender; 2. the ARIO is vacated, stayed or otherwise caused to become ineffective or is amended in a manner not acceptable to the DIP Lender (in its sole and absolute discretion); 3. failure of the Borrowers to pay (i) interest, fees or other amounts (including, without limitation, DIP Fees and Expenses) when due under this DIP Commitment Letter or any other DIP Facility Documentation, or (ii) principal when due under the DIP Facility; 4. failure of the Borrowers to perform or comply with any term, covenant or negative covenant in this DIP

	Commitment Letter or any other DIP Facility Documentation; 5. either of the Borrowers ceases (or threatens to) to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of the Borrowers or other restructuring or reorganization of the Borrowers, which has been consented to by the DIP Lender and approved by the Court; 6. any action or event after the date hereof (other than the issuance of the ARIO and DIP Order) has occurred which has resulted in, or may result in, a change, condition, event or occurrence, which, when considered individually or together with all other changes, conditions, events or occurrences, could reasonably be expected to have a material adverse effect (or series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse effect) on: (i) the condition (financial or otherwise), business, performance, prospects beyond the period covered by the Cash Flow Projections, operation or property of any Borrower (including, a material adverse qualification (other than a 'going concern' qualification) to any of the financial statements of any Borrower; a material adverse misstatement of the financial statements; or if after the date of this DIP Commitment Letter, it is determined by any Borrower, its auditors or accountants, that a restatement of any Borrowers' financial statement is or is likely to be necessary or there is a material adverse restatement of any Borrowers' financial statements; (ii) the ability of any Borrower to carry on its business as presently conducted; (iii) the ability of any Borrower to timely and fully perform any of its obligations under this DIP Commitment Letter or any other DIP Facility Documentation, or any Court Order; (iv) the Collateral; (v) the validity or enforceability of this DIP Commitment Letter or any DIP Facility Documentation, or the rights and remedies of the DIP Lender under this DIP Commitment Letter or any such DIP Facility Documentation; or (vi) the material degradation in the performance of the receivables of the Borrowers (any one of the above circumstances being a "**Material Adverse Change**"); 7. unless consented to by the DIP Lender, the expiry without further extension of the stay of proceedings provided for in the ARIO;

	8. the Cash Flow Projection is not acceptable to the DIP Lender, acting reasonably, and is not remedied to the satisfaction of the DIP Lender within five calendar days of such request; 9. the filing by any Borrower of any motion or proceeding which (i) is not consistent with any provision of this DIP Commitment Letter, the DIP Facility Documentation or the DIP Priority Charge, in a manner that is materially adverse to the interests of the DIP Lender; (ii) could reasonably be expected to materially adversely affect the interests of the DIP Lender; (iii) seeks an order which, if granted, could reasonably be expected to result in a Material Adverse Change, or (iv) seeks to continue the CCAA Proceedings under the jurisdiction of a court other than the Court, unless in the case of any of the foregoing, the DIP Lender has consented thereto in writing; 10. an order of the Court is made that results in any third party lender receiving from a Borrower any of the following (i) any retention payment or other type of payment (in cash or otherwise); (ii) any assignment of accounts receivable or any swap of cash for accounts receivable or other property; or (iii) other property or any other amount transferred to a third party lender for its benefit; 11. the making by any Borrower of a payment of any kind not permitted by the ARIO, this DIP Commitment Letter, the DIP Facility Documentation or the Cash Flow Projections without the prior consent of the DIP Lender acting reasonably or order of the Court; 12. except as stayed by order of the Court, a default under, revocation or cancellation of, any material contract, licence or permit, which has or could reasonably be expected to result in a Material Adverse Change; 13. the suspension, cancellation, termination or revocation of any licence in any province or territory in which the Borrowers operate which is material to the operations of the Borrowers' business; 14. the denial or repudiation by any Borrower of the legality, validity, binding nature or enforceability of this DIP Commitment Letter, any DIP Facility Documentation or any other document or certificate delivered pursuant to the terms hereof or thereof; 15. any change to the composition of the board of directors or officers of any Borrower that is not acceptable to the

	DIP Lender acting reasonably or approved by the Court; and 16. any representation or warranty made by the Borrowers shall prove to have been incorrect or misleading in any material respect when made.
REMEDIES:	Upon the occurrence of an Event of Default, the DIP Lender may, subject to the ARIO, elect to (i) terminate, or reduce, the Maximum Commitment and/or Discretionary Bulge, the DIP Lender's commitment to make DIP Advances and (ii) accelerate all amounts outstanding under the DIP Facility. In addition, upon the occurrence of an Event of Default, the DIP Lender may, subject to the DIP Order: 1. declare the obligations in respect of the DIP Facility Documentation to be immediately due and payable; 2. apply to the Court (i) for the appointment of an interim receiver, a receiver or a receiver and manager of the undertaking, properties and assets of the Borrowers, (ii) for the appointment of a trustee in bankruptcy of the Borrowers or (iii) seek any other relief in its sole discretion; 3. exercise the powers and rights of a secured party under the *Personal Property Security Act* (BC) or any other legislation of similar effect applicable to the DIP Security; and 4. exercise all such other rights and remedies available to it under the DIP Facility Documentation and the Restructuring Court Orders or at law or equity. For greater certainty, the DIP Lender shall have customary remedies under the DIP Facility Documentation, including, but not limited to, the right to appoint a receiver by instrument and the right to realize on all or part of the DIP Security without the necessity of obtaining further relief or order from the Court, subject to applicable law.
DIP LENDER APPROVALS:	All consents of the DIP Lender hereunder shall be in writing. Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail.
CURRENCY:	Unless otherwise stated all monetary dominations shall be in Canadian dollars.
TAXES:	All payments by the Borrowers under the DIP Facility Documentation to the DIP Lender, including any payments

	required to be made from and after the exercise of any remedies available to the DIP Lender upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively "**Taxes**"); provided, however, that if any Taxes are required by applicable law to be withheld ("**Withholding Taxes**") from any interest or other amount payable to the DIP Lender under any DIP Facility Documentation, the amount so payable to the DIP Lender shall be increased to the extent necessary to yield to the DIP Lender on a net basis after payment of all Withholding Taxes, the amount payable under such DIP Facility Documentation at the rate or in the amount specified in such DIP Facility Documentation and the Borrowers shall provide evidence satisfactory to the DIP Lender that the Taxes have been so withheld and remitted.
EVIDENCE OF INDEBTEDNESS:	The DIP Lender shall open and maintain accounts and records evidencing the DIP Advances. The DIP Lender's accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.
FURTHER ASSURANCES:	The Borrowers shall at their respective expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Commitment Letter, the DIP Security and the other DIP Facility Documentation, including for the purposes of perfecting, protecting and maintaining the Liens created by the DIP Security, establishing compliance with the representations, warranties, covenants, terms and conditions of this DIP Commitment Letter or any other DIP Facility Documentation. Without limiting the generality of the foregoing the Borrowers shall, if requested by the DIP Lender, execute a mortgage in favour of the DIP Lender over any and all real property of the Borrowers securing the performance of the DIP Obligations together with all ancillary or other documents as may be necessary or advisable to give effect to the mortgage.
ENTIRE AGREEMENT; CONFLICT:	This DIP Commitment Letter, including the schedules hereto and the DIP Facility Documentation, constitute the entire agreement between the parties relating to the subject matter hereof. To the

	extent that there is any inconsistency between this DIP Commitment Letter and any of the other DIP Facility Documentation, this DIP Commitment Letter shall govern. In the event of any inconsistency between any DIP Facility Documentation and a DIP Order, the DIP Order shall govern.
AMENDMENTS, WAIVERS, ETC.:	No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Facility Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the DIP Lender.
ASSIGNMENT:	Neither this DIP Commitment Letter nor any right and obligation hereunder may be assigned by the Borrowers without the prior written approval of the DIP Lender. The DIP Lender may assign its rights and obligations under this DIP Commitment Letter, in whole or in part, to any party without the prior written consent of the Borrowers (subject to providing the Monitor with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the DIP Lender hereunder and, if necessary, approval of the Court).
TIME IS OF THE ESSENCE:	Time is of the essence in this DIP Commitment Letter and the time for performance of the obligations of each Borrower may be strictly enforced by the DIP Lender.
SEVERABILITY:	Any provision in any DIP Facility Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
COUNTERPARTS AND FACSIMILE SIGNATURES:	This DIP Commitment Letter may be executed in any number of counterparts and may be transmitted by facsimile or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this DIP Commitment Letter by signing any counterpart of it.

GOVERNING LAW AND JURISDICTION:	This DIP Commitment Letter shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each of the parties irrevocably submits to the exclusive jurisdiction of the Court, waives any objections on the ground of venue or forum *non conveniens* or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.
NOTICES	All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic mail to the addresses specified below. Any party hereto may change its address or electronic mail address for notices and other communications hereunder by notice to the other parties hereto. If to the Lender: [●] Attention: [●] Email: [●] with a copy to the Lender's counsel: Gowling WLG (Canada) LLP Suite 2300 – 550 Burrard Street Vancouver, BC Attention: Colin D. Brousson Email: colin.brousson@gowlingwlg.com If to the Borrowers: [●] Attention: [●] Email: [●] with a copy to the Borrower's counsel: Bennett Jones LLP 666 Burrard Street, #2500 Vancouver, BC, V6C 2X8 Attention: David E. Gruber Email: gruberd@bennettjones.com

	and with a copy to the Monitor: Ernst & Young Inc. Attention: Mike Bell Email: mike.bell@ca.ey.com

[The remainder of this page is intentionally left blank.]

IN WITNESS HEREOF, the parties hereby execute this DIP Commitment Letter as at the date first above mentioned.

Desjardins Financial Security Life Assurance Company

Per: ____________________________________
Name:
Title:
I have the authority to bind the corporation

Port Capital Development (EV) Inc.

Per:
Name:
Title:

I have the authority to bind the corporation

Evergreen House Development Limited Partnership by its general partner **Port Capital Development (EV) Inc.**

Per: ____________________________________
Name:
Title:

I have the authority to bind the corporation and the corporation has the authority to bind the limited partnership

SCHEDULE "A"

DRAFT ARIO

(See Attached)

SCHEDULE “B”

INITIAL CASH FLOW PROJECTIONS

(See Attached)

SCHEDULE “C”

DRAWDOWN CERTIFICATE

TO:	Desjardins Financial Security Life Assurance Company (the “**DIP Lender**”) Attention: [●] Email: [●]
FROM:	Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership (together, the “**Borrowers**”)
DATE:	<*>
RE:	Drawdown Certificate No. <*>

This Drawdown Certificate is delivered to you, as DIP Lender, pursuant to the DIP Commitment Letter dated as of <*>, 2020 (as amended, restated, modified, supplemented or replaced from time to time, the “**DIP Commitment Letter**”) between, *inter alias*, the Borrowers, as borrowers, the DIP Lender and the other financial institutions from time to time parties thereto as lenders. Capitalized terms used but not defined herein shall have the meanings given to them in DIP Commitment Letter.

1. The Borrowers hereby requests a DIP Advance on the terms set out below.

2. The drawdown date shall be <*> (the “**Drawdown Date**”). [a date not earlier than two (2) Business Days from the date this Drawdown Certificate is submitted to the DIP Lender for review]

3. The principal amount of the requested DIP Advance is $<*> [DIP Advances must be in increments of $50,000].

4. The undersigned, being the <*> and the <*> of the Borrowers, as applicable, and not in our personal capacity and without liability, do hereby certify that:

(a) All of the conditions precedent to a DIP Advance that have not been waived in writing by or on behalf of the DIP Lender have been satisfied.

(b) No Default or Event of Default has occurred and is continuing or which would constitute an Event of Default with the giving of notice or lapse of time or both, or will result from the DIP Advance requested hereby.

(c) The requested DIP Advance is within the cash flow requirements identified in the applicable Cash Flow Projections and will not result in outstanding DIP Obligations in excess of the DIP Commitment.

(d) The Borrowers are in compliance with the DIP Facility Documentation and the Court Orders.

The information contained herein is for the benefit of the DIP Lender and may be relied upon for the purposes of making DIP Advances pursuant to the terms of the DIP Commitment Letter.

IN WITNESS WHEREOF, each of the undersigned has duly executed this Drawdown Certificate as of the first date written above.

Evergreen House Development Limited Partnership by its general partner **Port Capital Development (EV) Inc.**

Per: ________________________________
Name:
Title:

I have the authority to bind the corporation and the corporation has the authority to bind the limited partnersip

Port Capital Development (EV) Inc.

Per: ________________________________
Name:
Title:

I have the authority to bind the corporation

This Drawdown Certificate if approved by the Monitor

Ernst & Young, Inc. in its capacity as Monitor

Per: ________________________________
Name:
Title:

I have the authority to bind the Monitor