Form 12 (Rule 26(1)(a), (2)(a) and (4)(a))

Court of Appeal File No. CA-47585

COURT OF APPEAL

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 PLAN OF COMPROMISE AND ARRANGEMENT
OF PORT CAPITAL DEVELOPMENT (EV) INC. and EVERGREEN HOUSE
DEVELOPMENT LIMITED PARTNERSHIP

BETWEEN:

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

Respondents
(Petitioners/Applicants)

AND:

1296371 B.C. LTD.

Appellant
(Respondent/Applicant)

AND:

CENTURA BUILDING SYSTEMS (2013) LTD. and
SOLTERRA ACQUISITIONS CORP.

Respondents
(Respondents)

APPELLANT'S APPEAL BOOK

1296371 B.C. Ltd.
Appellant:

Jordan Schultz / Eamonn Watson
Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Email: jordan.schultz@dentons.com
eamonn.watson@dentons.com

Centura Building Systems (2013) Ltd.
and Solterra Acquisitions Corp.
Respondents:

Kibben Jackson / Thomas Posyniak /
Glen Nesbitt
Fasken Martineau DuMoulin LLP
550 Burrard Street, Suite 2900
Vancouver, BC V6C 0A3

Email: kjackson@fasken.com
tposyniak@fasken.com
gnesbitt@fasken.com

Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership Petitioners/Respondents:

David Gruber / Keely Cameron
Bennett Jones LLP
Suite 2500 – 666 Burrard Street
Vancouver, BC V6C 2X8

Email: GruberD@bennettjones.com
CameronK@bennettjones.com

CMLS Financial Ltd. and Desjardins Financial Security Life Assurance Company

Colin D. Brousson / Alexandra McCawley
DLA Piper (Canada) LLP
Suite 2800, Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Email: colin.brousson@ca.dlapiper.com
alexandra.mccawley@ca.dlapiper.com

Ernst & Young Inc.
Monitor:

Peter L. Rubin / Peter Bychawski / Claire Hildebrand
Blake, Cassels & Graydon LLP
Suite 2600, Three Bentall Centre
595 Burrard Street, P.O. Box 49314
Vancouver, BC V7X 1L3

Email: peter.rubin@blakes.com
peter.bychawski@blakes.com
claire.hildebrand@blakes.com

Aviva Insurance Company of Canada

William Roberts
Lawson Lundell LLP
Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2

Email: wroberts@lawsonlundell.com

INDEX

** See also Book of Confidential Documents filed August 4, 2021

This is the 2st affidavit
of Macario Teodoro Reyes in this case
and was made on 21/MAY/2021

No. S-205095
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

AND

IN THE MATER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF PORT CAPITAL DEVELOPMENT (EV) INC. and EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP

AFFIDAVIT

I, **MACARIO TEODORO REYES**, businessman, of 328 West 2nd Avenue, Vancouver, BC V5Y 1C8, SWEAR (OR AFFIRM) THAT:

1. I am a director and officer of Port Capital Group Inc. ("**Port Capital Group**"), the petitioner Port Capital Development (EV) Inc. (the "**General Partner**") and 1296371 B.C. Ltd. ("**129**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, and, as to such facts, I verily believe the same to be true.

2. The General Partner and Evergreen House Development Limited Partnership ("**Evergreen LP**", and together with the General Partner, the "**Petitioners**") own a real estate development project called the "**Terrace House Project**".

3. The Petitioners are subsidiaries of Port Capital Group.

4. The Terrace House Project is an ongoing development project located at 1250 West Hastings Street, Vancouver, BC, on lands legally described as:

> PID: 006-721-397
> Lot 18, Except that part of the Canadian Pacific Railway Right-Of-Way as described in Absolute Fee Parcels Book, Volume 9, Folio 317, No. 1154C, and Except the South 7 Feet now Road, Block 29 District Lot 185 Plan 92
>
> (the "**Lands**").

5. The following persons (collectively, the "**Pre-Sale Purchasers**") have entered into pre-sale purchase agreements with the Petitioners (collectively, the "**Pre-Sale Purchase Agreements**"), and have paid the following deposit amounts totaling $8,005,201 (collectively, the "**Deposits**") to Dentons Canada LLP ("**Dentons**"), in trust, pursuant to such Pre-Sale Purchase Agreements:

(a) Luz Consuelo Reyes, who has paid a deposit in the amount of $2,800,000;

(b) 1192706 B.C. Ltd., who has paid a deposit in the amount of $1,155,000;

(c) 1208596 B.C. Ltd., who has paid deposits in the amount of $975,201;

(d) 1301981 B.C. Ltd., as assignee from Hudani Investment Corp., who has paid a deposit in the amount of $1,162,500;

(e) 1207867 B.C. Ltd., who has paid a deposit in the amount of $645,000;

(f) Robert Davis, who has paid a deposit in the amount of $592,500; and

(g) Simon Wong, who has paid a deposit in the amount of $675,000.

6. On May 29, 2020, the Petitioners obtained an order in these proceedings (the "**Initial Order**") granting them various relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 [***CCAA***].

7. The Initial Order included a stay of proceedings (the "**Stay of Proceedings**") effective until June 8, 2020, later extended to June 11, 2021, and appointed Ernst & Young, Inc. as monitor (in that capacity, the "**Monitor**").

8. On June 8, 2020, the Petitioners obtained an amended and restated initial order in these proceedings (the "**ARIO**"). Among other things, the ARIO approved an interim financing facility (the "**Interim Financing Facility**") from Desjardins Financial Security Life Assurance Company and granted a related interim lender's charge (the "**Interim Lender's Charge**").

9. The Petitioners' granted a first mortgage on the Lands to secure construction financing provided by CLMS Financial Ltd. ("**CLMS**"). I am a covenantor on this mortgage.

10. The Petitioners' granted a second mortgage on the Lands in favour of Aviva Insurance Company of Canada ("**Aviva**"), the Terrace House Project's insurer. I am a guarantor of this mortgage.

11. In addition, I am a covenantor or guarantor to most credit facilities advance by the Port Capital Group's various project specific limited partnerships and general partners.

12. On April 16, 2021, the Court approved the execution of a purchase and sale agreement between Landa Global Acquisition Inc. and the Petitioners, dated March 25, 2021 (the "**Landa PSA**"). This was not a final approval of the transaction or vesting of the Lands. By order of the Court, any other party could submit an alternative bid to the Landa PSA by May 7, 2021.

13. On May 7, 2021, 129, through its counsel, submitted an offer to the Monitor, CMLS and Aviva (the "**129 Offer**").

14. The 129 Offer is a loan facility from Domain Mortgage Company ("**Domain**"), 1260780 B.C. Ltd. ("**NumberCo**") and 129 to the Petitioners (the "**New Loan Facility**"). The purposes of the New Loan Facility is to:

(a) Pay in full the Interim Financing Facility and discharge of the Interim Lender's Charge; and

(b) Purchase and take an assignment of the loan and security held by CMLS.

15. The funding for the New Loan Facility will come from three sources:

(a) A loan from Domain to the Petitioners, in the amount of $14.5 million, pursuant to a term sheet dated May 11, 2021 (the "**Domain Term Sheet**"). Now produced and shown to me and marked as **Exhibit "A"** to this affidavit is a true copy of the Domain Term Sheet;

(b) A loan from NumberCo to the Petitioners, in the amount of $1.5 million, pursuant to a commitment letter and acknowledgment dated May 7, 2021 (the "**NumberCo Loan**"). Now produced and shown to me and marked as **Exhibit "B"** to this affidavit is a true copy of the NumberCo Loan. I am informed by Robert Quon, of Dentons, and verily believe the same to be true, that Dentons holds the NumberCo Loan funds in trust; and

(c) A loan from 129 to the Petitioners, in the amount of $8,005,201, funded by a release of the Deposits held in trust by Dentons. Now produced and shown to me and marked as **Exhibit "C"** to this affidavit are true copies of the written irrevocable directions provided by the Pre-Sale Purchasers.

16. The 129 Offer does not seek to terminate any pre-sale contracts, or vest off or compromise any other claims against the Petitioners. The 129 Offer is a refinancing, intended to provide breathing room to secure new construction financing for the Terrace House Project.

17. There is strong interest from lenders to provide new construction financing, and several lenders have already conducted extensive due diligence. However, the New Loan Facility needs to be in place before new construction financing can be secured. Without control of the Terrace House Project, it is not possible to satisfy the conditions associated with new construction financing.

18. These CCAA proceedings have, to date, been focused on repayment of the construction loan provided by CLMS. The New Loan Facility, along with cooperation from Domain, will provide the opportunity to shift the focus to a long-term restructuring.

19. Generally, securing new construction financing will require:

(a) Review of all trades and consultants. This includes confirm drawings and specifications with lead consultants, architects and engineers; updating contracts with existing trades and consultants; and replacing contracts as necessary;

(b) Confirm construction schedule and budget;

(c) Renew and extend permits; and

(d) Review and continue pre-sale program. This includes reviewing the existing contracts; engaging new marketing partners and sales group, and may require re-drafting the disclosure statement and updated purchase contracts.

20. The above steps will be conditions of any term sheet for new construction financing, and advances under any new facility will not occur until these have been satisfied.

21. In the interim, working capital will be funded by existing limited partners and new third party investors. This working capital is expected to be in the range of $3 to $5 million, which will be sourced externally and will not encumber the Lands or other assets.

22. The most advanced negotiation on a new contraction loan is with Goldman Sachs. The parties are close to finalizing a term sheet, however I do not expect negotiations can progress further until the Petitioners have regained control of the Terrace House Project. I estimate, with control of the project and the breathing room provided by the New Loan Facility, it will take 30 to 60 days to finalize a term sheet with Goldman Sachs or another lender.

23. The proposed Goldman Sachs financing would be advanced in two tranches. The first tranche would repay the New Loan Facility and provide pre-construction working capital. The second tranche would finance the full construction of the Terrace House Project.

24. The Terrace House Project is an innovative mass timber development. When completed, the Terrace House Project will become one of the tallest hybrid timber structure in the world, constructed from concrete, wood and steel. The existing trades and consultants are specialists in mass timber construction and are essential to moving the Terrace House Project forward. The project has many stakeholders who will benefit from the completion of the Terrace House Project as designed. The Terrace House Project will contribute to the development of the mass timber industry. The City of Vancouver is invested in seeing the Terrace House Project competed, as are investors and other supporters of the project.

25. These efforts demonstrate there is a reasonable prospect that the Terrace House Project will be successful restructured for the benefit of all stakeholders.

SWORN (OR AFFIRMED) BEFORE ME at Vancouver, BC, on 21/MAY/2021	
A Commissioner for taking Affidavits within British Columbia	**MACARIO TEODORO REYES**

EAMONN WATSON
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

1

This is **Exhibit "A"** referred to in the
Affidavit of T. REYES sworn
this 21ST day of MAY, 2021.

A Commissioner for taking Affidavits within
British Columbia

DOMAIN FUNDING

Domain Funding
1100–1040 West Georgia St.
Vancouver, BC V6E 4H1
604.681.3000

Tuesday, May 11, 2021

Loan #: 2021-BC011

Evergreen House Development LP
Port Capital Development (EV) Inc.
Port Capital Development Inc.
Mr. Macario Teodoro Reyes
c/o 325 West 4th Avenue,
Vancouver, B.C. V5Y 1H3

E-mail: tobi@portliving.com

Dear Sir:

REVISED COMMITMENT LETTER

Bankers Mortgage Corporation doing business as Domain Funding is pleased to present you with a commitment to provide a loan with terms and conditions described herein and on the attached Schedules (the "Loan").

1. SECURED PROPERTY:

Civic Address:	1250 West Hastings Street, Vancouver B.C. V6E 4H1
Legal Description:	LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92
PIDs:	006-721-397

The above property(s) is referred to herein as the "Secured Property".

2. LENDER/MORTGAGEE:

Name:	**Domain Mortgage Corp.** syndicated in trust for private mortgage investors, and/or nominee.
Address:	1100 – 1040 W. Georgia St. Vancouver, BC V6E 4H1

Hereinafter referred to as the "Lender".

3. BORROWER(S)/MORTGAGOR(S) AND ASSIGNEE(S) AND/OR NOMINEE(S):

Name:	**Evergreen House Development Limited Partnership**
Relationship:	The beneficial owner of the Secured Property
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3
Name:	**Port Capital Development (EV) Inc.**
Relationship:	The registered owner of the Secured Property and the General Partner of Evergreen House Development Limited Partnership
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3

Initials of Borrower(s)/Covenantor(s):

4. COVENANTOR(S):

The Lender(s) will require the Loan to be guaranteed by the personal and/or corporate shareholders of the Borrowing Company(s) and/or others (the "Covenantors").

To date the following Covenantors have been identified:

Name:	**Macario Teodoro Reyes**
Relationship to Borrower:	Principal of Port Capital Development Inc.
Address:	#801-2211 Cambie Street, Vancouver, B.C. V5Z 2T5
Name:	**Port Capital Development Inc.**
Relationship to Borrower:	100% shareholder of Port Capital Development (EV) Inc.
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3

5. LOAN TYPE AND PURPOSE:

To assist in (i) the redemption and repayment of the interim financing ("Interim Financing") provided by Desjardins Financial Security Life Assurance Company ("Desjardins") and, (ii) together with 1296371 B.C. Ltd. (the "Junior Lender"), the purchase and assignment of the existing loans and security (the "Existing Security") provided by CMLS Financial Ltd., as agent for and on behalf of certain lenders (collectively the "Existing Lenders").

The Interim Financing is in the principal amount of $1,287,274.88 (subject to verification), secured by a super-priority court-ordered charge over all assets, undertakings and property of the Borrowers.

The Existing Loan is in the principal amount of $21,233,416.87 (subject to verification).

The Interim Financing and the Existing Loan are secured by the following Mortgages and Assignments of Rents registered on title to the Secured Property:

Nature:	MORTGAGE
Registration Number:	CA7337616
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	CMLS FINANCIAL LTD. INCORPORATION NO. BC0124226
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7337617
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	CMLS FINANCIAL LTD. INCORPORATION NO. BC0124226
Nature:	MORTGAGE
Registration Number:	CA8277031
Registration Date and Time:	2020-06-30 16:49
Registered Owner:	DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY INCORPORATION NO. A0056166

(collectively, the foregoing loans, the "Existing Loan", and the foregoing security interests, are referred to herein as the "Existing Security").

6. USES AND SOURCES OF FUNDS:

Loan proceeds to be used in accordance with the following Uses and Sources of Funds budget:

Uses of Funds		
Payout CMLS Financial Ltd. (estimate)	$	21,233,416.87
Payout Desjardins Financial Security Life Assurance Company (estimate)	$	1,287,274.88
Provision of a Payment Reserve to the CCAA Monitor (estimate)	$	250,000.00
Domain Mortgage Corp Loan Servicing Fee (0.25% of the Loan amount)	$	18,125.00
Monthly Interest Reserve (12 months - see below)	$	851,250.00
Domain Funding Mortgage Broker Fee (2.0% of the Loan amount)	$	290,000.00
Domain Securities Corp Fund Raising Fee (1.0% of the Loan amount)	$	145,000.00
Lender's CCAA Reporting Consultant - (estimate)	$	60,000.00
Lender's legal fees, title insurance, misc., etc. (estimate)	$	40,000.00
Total Uses of Funds	**$**	**24,175,066.75**

Sources of Funds		
Domain Mortgage Corp. Mortgage Loan Amount (First Loan Segment)	$	10,500,000.00
Domain Mortgage Corp. Mortgage Loan Amount (Second Loan Segment)	$	4,000,000.00
Additional Equity requirement and/or Junior Lender requirement (est.)	$	9,676,000.00
Total Sources of Funds	**$**	**24,176,000.00**

NOTE 1: The above budget has been prepared by Domain Funding based on information provided by the Borrower(s) and Covenantor(s) and is subject to change.

NOTE 2: All figures listed in above budget are subject to verification and approval by the Lender.

NOTE 3: At the option of the Lender, any Loan proceeds will be controlled and/or disbursed by the Lender or its solicitor for the purposes outlined above or for other Lender-approved purposes.

NOTE 4: Any shortfall of funds to refinance and take an assignment of the Existing Mortgage is the responsibility of the Borrower(s), Covenantor(s), and 1296371 B.C. Ltd.

NOTE 5: The Borrower(s) will assign $100,000 (or such other amount recommended by the Monitor of the CCAA proceedings pursuant to their budget as approved by the Lender) from the Loan proceeds representing a Provision of a Payment Reserve to be advanced to the Monitor on closing to cover anticipated future costs of the Monitor (including their counsel in the CCAA proceeding. The balance of the $250,000 will be held by the Lender in a reserve as against protective disbursements including without limitation monitor's or other costs. If the monitor's costs exceed the amount advanced to the monitor the Borrower(s) shall pay those costs and the Lender shall not be obligated to pay any additional costs from the said reserve.

NOTE 6: The Borrower(s) will assign $60,000 (or such other amount recommended by the Lender's solicitor) from the Loan proceeds representing a provision for a CCAA Reporting Consultant to provide reporting to and to advise the Lender with respect to the CCAA proceedings.

7. JUNIOR LENDER PARTICIPATION WITHIN THE EXISTING SECURITY:

1296371 B.C. Ltd. will become a Junior-ranking participant in the proposed new ownership of the Existing Security subordinate in all respects to the $14,500,000 aggregate amount of the Loan and will enter into a participation Agreement (the "**Participation and Stand Still Agreement**") with Domain Mortgage Corp. to be prepared by the Lender's Lawyer, or in the alternative, there will be sufficient recapitalization of the Borrower(s) to fund monies required (in addition to the Loan) to refinance the Existing Lenders and retire the Interim Financing, without participating in the Loan and the related security.

The Participation and Stand Still Agreement will contain a provision allowing the Junior Lender to purchase the Loan and the interest of the Lender in the Existing Security and to transfer the administration of the Existing Security upon payment to eth Lender of the amount owing under the Loan and subject to the Lender receiving the minimum interest provisions contained herein and otherwise as required by the Lender's lawyer.

The Participation and Stand Still Agreement will subordinate the Junior Lender to the Lender in all respects and the Lender or the Lender's nominee will administer the Loan and the interest of the Junior Lender in the Existing Security.

The Participation and Stand Still Agreement will contain provision(s) to cause unpaid interest, if and when due, to be made by Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd. and to apply interest due under the Loan exceeding the interest prescribed under the Existing Security to be deducted from the ownership interest of 1296371 B.C. Ltd. in the Existing Security.

The standstill provisions of the Participation and Stand Still Agreement will prohibit the Junior Lender from taking any action in respect of the Loan unless and until either:
a) the Loan is repaid in full; or
b) the Junior Lender purchases the Loan and the interest of the Lender from the Lender.

8. LOAN FUNDING DATE:

June 11, 2021, subject to the following prior events:

(i) CMLS Financial Ltd. to approve assignment and transfer of the Existing Security by May 19, 2021
(ii) CCAA Monitor and Court to approve assignment and transfer of the Existing Security by May 26, 2021

The Borrower(s) acknowledges that interest on the Loan shall accrue from the date that funds are provided by the Lender to its solicitor in preparation for the funding of the Loan, whether or not the Borrower(s) and Covenantor(s) are in a position to draw funds in accordance with the terms and conditions of this Commitment Letter.

9. PAYMENT PROVISIONS:

The Loan will be divided into the following (2) Loan Segments with (2) differing interest rates in recognition of differing risk profiles within the $14,500,000 composition of the Loan.

Loan Amount:	$10,500,000.00 (the "First Loan Segment") $ 4,000,000.00 (the "Second Loan Segment") $14,500,000.00 (the "Loan")

Terms of $10,500,000 First Loan Segment

Term:	12 months from Interest Adjustment Date. Closed during the first 6 months of the Loan Term then open for early repayment in full.
Amortization:	Interest Only
Interest Rate:	Prior to the first day of the last month of the Loan Term: The greater of Prime + 8.05% per annum or 10.50% per annum, compounded monthly Commencing the first day of the last month of the Loan Term: 12.00% per annum, compounded monthly
Interest Calculation Period:	Monthly
Payment Dates:	1st day of month during Loan Term

Interest Adjustment Date:	July 1, 2021	
First Payment Date:	August 1, 2021	
Periodic Payment Amounts:	$91,875.00	interest payment
	$ 2,187.50	Loan servicing fee (0.25% of Loan Amount)
	$94,062.50	

Monthly interest payments during the term of the Loan will be made using Monthly Payment Reserve(s) held by the Lender. If and when Monthly Payment Reserve(s) held by the Lender are depleted, interest due under the Loan be made by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd.

Balance Due Date: Jan. 1, 2022

Terms of $4,000,000 Second Loan Segment

Term: 12 months from Interest Adjustment Date. Closed during the first 6 months of the Loan Term then open for early repayment in full.

Amortization: Interest Only

Interest Rate: Second Loan Segment:

Prior to the first day of the last month of the Loan Term:

18.00% per annum, compounded monthly

Commencing the first day of the last month of the Loan Term:

24.00% per annum, compounded monthly

Interest Calculation Period: Monthly

Payment Dates: 1st day of month during Loan Term

Interest Adjustment Date: July 1, 2021

First Payment Date: August 1, 2021

Periodic Payment Amounts:	$ 50,000.00	interest payment
	$ 833.33	Loan servicing fee (0.25% of Loan Amount)
	$ 50,833.33	subtotal

Monthly interest payments during the term of the Loan will be made using Monthly Payment Reserve(s) held by the Lender. If and when Monthly Payment Reserve(s) held by the Lender are depleted, interest due under the Loan be made by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd.

Balance Due Date: Jan. 1, 2022

10. EARLY REPAYMENT TERMS:

The Loan may be repaid in full without penalty provided the Lender has first earned and received payment of interest of not less than $851,250.00. Unless otherwise specified herein, partial repayment of the Loan is not permitted without the written consent of the Lender.

Initials of Borrower(s)/Covenantor(s):

11. LOAN RESERVE(S):

The Lender requires the Borrower(s) to assign the following Monthly Payment Reserve to the Lender from the Loan Proceeds (collectively the "Loan Reserve(s)"). Upon payout of the Loan in full, any unused amounts in the Loan Reserve(s) will be returned to the Borrower(s) subject to the Early Repayment Terms outlined herein.

11.1 MONTHLY PAYMENT RESERVE:

The Borrower(s) will assign $869,375.00 to the Lender from the Loan proceeds representing a Monthly Payment Reserve which, upon the occurrence of an event of default of the Loan, the Borrower(s) agrees to and so directs the Lender to withdraw from the Monthly Payment Reserve payments to maintain monthly Loan interest and Loan Servicing Fee payments, to pay for any costs to enforce the terms of the Loan, including legal, and/or receivership costs, and/or for any costs to realize on the Loan Security, at the Lender's sole discretion.

Such payments shall be of the same force and effect as if made personally by the Borrower(s), however, shall not constitute a cure or waiver of a default by virtue of the failure to comply with any other payment terms herein.

12. SPECIAL TERMS AND CONDITIONS:

The Lender will require the following SPECIAL TERMS AND CONDITIONS, all of which must be found satisfactory to the Lender and its Solicitor:

a) Approval of the proposed form of Order and Court approval in CCAA Proceeding No. S-205095 approving the transfer and assignment of the Existing Loans and the Existing Security.

b) DIP Financing to be fully paid out and a Court Order terminating the DIP Financing.

c) Review of monitor's budget through the term of the Loan.

d) Administration charge removed and replaced by the funding of the security to the Monitor or alternatively the Administration charge limited to an amount satisfactory to the Lender.

e) Provision of a payment reserve (with a current estimate of $250,000, but subject to change), to be advanced to the Monitor on closing, to cover anticipated future costs of the Monitor and its counsel in the CCAA Proceedings.

f) Consent of Aviva Insurance Company of Canada to the transfer and assign of the Existing Loan and Existing Security to the Lender and agreement to not seek a reverse vesting order or otherwise to seek to modify the registration of the Existing Loans and the Existing Security as a first-ranking charge registered on title to the Secured Property.

g) Court approval referred to in 10.a), above, to include the following provisions:

- Carve out of the Existing Loans and the Existing Security from the stay of proceedings in connection with CCAA Proceeding No. S-205095.
- Stays of proceedings to be extended to the term of the Loan.
- No further DIP financing without consent of the Lender;
- CCAA Monitor's powers to be reduced to allow Borrower(s) to complete the Project;
- CCAA to go into "dormant status" for the term of the Loan, meaning that no further steps are to be taken in the CCAA Proceeding during the stays of proceedings without the consent of the Lender

13. PERMISSIBLE PRIOR ENCUMBRANCES:

The Lender will permit the following prior charge(s) to be registered against the Secured Property:

The Administration charge, if not removed and replaced by reserve funding, subject to limitation to the satisfaction of the Lender as contemplated by Section 12(d) hereof.

14. PERMISSIBLE SUBSEQUENT ENCUMBRANCES:

The Lender will permit the following subsequent-ranking financial charge(s) to be registered against title to the Secured Property:

Those charges registered against Land Title No. CA7287055 set out in Schedule "D".

15. LOAN SECURITY:

The Lender will require the following Loan Security and other or further Loan Security (the "Loan Security"), all of which must be found satisfactory to the Lender and its Solicitor:

a) An assignment of the Existing Loans and Existing Security to the Lender.

b) Assignment of a $869,375.00 Monthly Payment Reserve to the Lender.

c) Assignment of a $60,000 CCAA Reporting Consultant allowance to the Lender.

d) Assignment of the Lender-approved Payment Reserve to the Monitor of the CCAA proceeding.

e) To the extent not included in the Existing Security:

   i. General Security Agreement with respect to the Borrower(s) and Covenantor(s) under the P.P.S.A.
   ii. Personal and/or corporate covenants as required by the Lender.
   iii. Principals of the Borrowing Company and any Corporate Covenantor(s) to postpone any Shareholder Loans to the Lender.
   iv. Property insurance, acceptable to the Lender.
   v. Title insurance in favour of the Lender including the Extended Super Priority Lien Coverage under the Lender's Master Policy with First Canadian Title.
   vi. Hazardous substances and environmental indemnity agreement by the Borrower(s)/Covenantor(s) in favour of the Lender

f) Court approval of the security and the transaction including a declaration the Lender has a first charge on the assets.

g) Such other and further Loan security in connection with the Secured Property as may be required by the Lender or its solicitor.

16. STANDARD CLAUSES:

Standard terms, conditions, covenants, representations and warranties are attached to and form part of this Commitment Letter as outlined in Schedule "A".

17. CONDITIONS PRECEDENT TO FUNDING:

17.1 Funding of the Loan is conditional upon receipt of the following items from the Borrower(s) and Covenantor(s), on or **before Thursday, May 27, 2021**, all to be found satisfactory to the Lender and its solicitor:

a) An executed copy of this Commitment Letter.

b) Payment of the Non-Refundable Working Fee of $25,000.00 payable to "Domain Funding" by way of bank draft upon your acceptance of this Term Sheet. **SATISFIED**

c) Review and approval of the executed assignment and transfer agreement with respect to the purchase and assignment of the Existing Loans and the Existing Security, and all supporting documents including the commitment letter issued by CMLS Financial Ltd. as amended and its replacement by this Commitment Letter. **PENDING**

d) Verification of minimum of $9,676,000 of funds required to be contributed by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd. to complete the refinance of the Existing Lenders and purchase and assignment of the Existing Loans and the Existing Security. **PENDING**

e) Satisfactory review of and opinion with respect to the following by the Lender' solicitor:

   i. Mortgage CA7337616 registered i/n/o CMLS Financial Ltd.
   ii. Assignment of rents CA7337617 registered i/n/o CMLS Financial Ltd.
   iii. Mortgage CA8277031 registered i/n/o Desjardins Financial Security Life Assurance Co.

   PENDING

f) Satisfactory review of and opinion with respect to the following by the Lender' solicitor:

   i. Commitment Letter, issued by CMLS Financial Ltd. dated July 4, 2018 and all amendments, including, without limitation,
      - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated December 12, 2018, and
      - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated February 1, 2019, and
      - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated June 25, 2019,

   and its replacement by this Commitment Letter on funding.

   PENDING

g) Satisfactory inspection of the Secured Property by the Lender. **SATISFIED**

h) Satisfactory review by the Lender of the Certificate of Title for the Secured Property. **SATISFIED**

i) Satisfactory review by the Lender of the Organizational Chart of the Borrowers and any company providing a corporate covenant. **SATISFIED**

j) Satisfactory review by the Lender of the most recent Financial Statements for the Borrowing Company(s) and any company providing a corporate covenant (unless newly formed), prepared by a qualified accounting firm. **SATISFIED**

k) Confirmation of legal and beneficial ownership of the Secured Property, the Borrowing Company, and any company providing a corporate covenant including copies of any trust, joint venture, and/or limited partnership agreement(s). **SATISFIED**

l) Current, signed and dated Personal Net Worth Statement of any personal Borrower(s) or person(s) providing a covenant including details of all assets and liabilities. The PNW Statement should be prepared on Domain Funding forms with explanatory notes and/or attachments where necessary. **SATISFIED**

m) Credit Bureau Report for any personal Borrower(s) or person(s) providing a covenant. **SATISFIED**

n) Detailed real estate development resume of the Borrower(s)/Covenantor(s). **SATISFIED**

o) Satisfactory review by the Lender of Development and Building Permits issued by the City of Vancouver related to the Project. **SATISFIED**

p) A complete set of current architectural drawings (11" x 17") of the Project (Issued for Construction). **SATISFIED**

q) Geotechnical Report, acceptable to the Lender, confirming the Secured Property contains satisfactory soil conditions to permit development of the Secured Property. **SATISFIED**

r) Transmittal Letter(s), acceptable to the Lender, from the Geotechnical Engineer authorizing the use of their report for mortgage financing purposes. **PENDING**

s) Environmental Report(s), acceptable to the Lender, demonstrating that the Secured Property is environmentally clean. **SATISFIED**

t) Transmittal Letter(s), acceptable to the Lender, from the Environmental Consultant authorizing the use of their report for mortgage financing purposes. **PENDING**

u) Appraisal Report and Transmittal Letter from a Lender-approved appraisal firm demonstrating $22,300,000 minimum "as is" land value for the Secured Property. **SATISFIED**

v) Transmittal Letter(s), acceptable to the Lender, from the Appraisal Firm authorizing the use of their report for mortgage financing purposes. **PENDING**

w) Satisfaction of the SPECIAL TERMS AND CONDITIONS outlined in Section 10., herein. **PENDING**

x) Such other and further information, material or requirements that may be required by Domain Funding, the Lender or the Lender's solicitor.

17.2 Funding of the Loan is conditional upon receipt of the following items from the Borrower(s) and Covenantor(s), on or **before Wednesday, June 9, 2021**, all to be found satisfactory to the Lender and its solicitor:

a) Receipt of insurance policies, including confirmation of paid insurance premiums, satisfactory to the Lender and/or its solicitor.

b) Registered Loan Security satisfactory to Lender's solicitor.

c) Such other and further information, material or requirements that may be required by Domain Funding, the Lender or the Lender's solicitor.

17.3 Funding of the Loan is conditional upon the successful offering of the Loan as a syndicated mortgage investment to private mortgage investors by Domain Securities Corp., a related-party to Domain Funding.

17.4 Upon satisfaction of all Conditions Precedent to Funding, as determined by the Lender and its solicitor at their sole discretion, the entire Loan Amount will be advanced to the Borrower(s) in one advance in accordance with the terms and conditions of this Commitment Letter.

18. POST FUNDING CONDITIONS:

None.

19. PAYMENT OF LOAN FEES:

Pursuant to Schedule "A" of the Loan Retainer Agreement dated Thursday, April 29, 2021, the $25,000 Non-Refundable Working Fee has been received.

The following further amounts are due as follows:

$ 80,000.00 Initial MORTGAGE BROKER FEE due upon issuance of this Loan Commitment Letter(s). **RECEIVED**

$ 65,000.00 Second MORTGAGE BROKER FEE due upon court approval in CCAA Proceeding No. S-205095 approving the transfer and assignment of the Existing Loans and the Existing Security.

$145,000.00 Third MORTGAGE BROKER FEE due upon the earlier of: (a) the funding of the Loan; or (b) the Loan Funding Date specified in the Loan Commitment Letter(s); or (c) the cancellation of the Loan Commitment Letter(s) by the Borrower(s). The $145,000.00 balance of the Mortgage Broker Fee will be further evidenced and secured by a Promissory Note to be issued and executed by the Borrower(s) and Covenantor(s) along with the Loan Commitment Letter(s).

$145,000.00 Fund Raising Fee payable to Domain Securities Corp. due upon the funding of the Loan.

20. LOAN SERVICING AND ADMINISTRATIVE FEES:

The Borrower(s) and Covenantor(s) agree to pay the following Loan Servicing and Administrative Fees during the Loan term:

a) Loan Servicing Fee of 0.25% per annum, calculated and paid monthly. The Loan Servicing Fee is payable by the Borrower to the Lender as the administrator of the Loan, as compensation for collecting and making interest payments, Loan record-keeping, and post funding administration of the Loan in the normal course;

b) $500.00 non-sufficient funds (NSF) fee, per occurrence.

c) $500.00 late payment fee, per occurrence.

d) $500.00 discharge fee, per title to be discharged.

e) $500.00 per hour (or portion thereof) administration fee for each occasion Domain Funding or the Lender provides administrative services outside the normal course administration of the Loan.

21. LENDER'S SOLICITOR:

Legal work and documentation will be performed, at the Borrower(s)' expense, by the Lender's solicitor, as follows:

Name:	Alan Frydenlund
Firm:	Owen Bird
Address:	Bentall 3, Suite 2900, 595 Burrard Street Vancouver, BC V7X 1J5
Telephone:	(604) 691-7511
Email:	afrydenlund@owenbird.com

22. BORROWER(S)' INFORMATION:

The Borrower(s) must complete the information required in Schedule "C" attached to this Commitment Letter upon acceptance of this Commitment Letter.

23. DEDUCTIONS FROM LOAN PROCEEDS BY LENDER'S SOLICITOR:

The Borrower(s) and Covenantor(s) acknowledge and agree that the Lender's solicitor will be deducting the following amounts from the Loan Proceeds:

Interest Adjustment:	Lender's solicitor to advise.
Balance of Mortgage Broker Fee:	$145,000.00 (payable to Domain Funding)
Fund Raising Fee:	$145,000.00 (payable to Domain Securities Corp.)
Monthly Payment Reserve:	$869,375.00 (payable to Domain Mortgage Corp.)
Provision of a Payment Reserve for the CCAA Monitor:	$250,000.00 (payee to be named)
Lender's CCAA Reporting Consultant:	$60,000.00 (payee to be named)
Lender's Legal Fees:	$40,000.00 (estimate)

NOTE: Payouts of existing mortgages, outstanding taxes, utilities, etc. are to be deducted from mortgage proceeds and paid by the Lender's solicitor and/or paid by the Borrower(s)' solicitor subject to the appropriate undertakings.

24. LOAN FUNDING EXPIRY DATE:

Unless the Loan is funded by the Lender and funds are drawn by the Borrower(s) in accordance with the terms and conditions of this Commitment Letter on or before **Friday, June 11, 2021**, then, the Lender's obligation to fund the Loan will become null and void.

25. ACCEPTANCE:

The Borrower(s) and Covenantor(s) must indicate their acceptance of this Commitment Letter by completing, signing and initialing where indicated, and by completing, signing, and initialing Schedule "A", Schedule "B", Schedule "C", and Schedule "D" attached, and returning to Domain Funding along on or before 6:00 P.M. on Tuesday, May 11, 2021.

The $80,000 Initial Mortgage Broker Fee has been previously received in connection with the Commitment Letter dated Friday, May 7, 2021.

If this Commitment Letter is not accepted by the Borrower(s) and Covenantor(s) by the indicated date(s)/time(s), then the Lender's obligation to fund the Loan will cease.

Yours truly,

DOMAIN Funding

PER: Authorized Signatory

Commitment Letter Dated May 11, 2021
Loan #: 2021-BC010

ACCEPTANCE OF COMMITMENT LETTER

I/We hereby understand and accept the terms and conditions of this Commitment Letter and the attached Schedules.

Accepted this 11th day of May, 2021

BORROWER(S):	COVENANTOR(S):
Evergreen House Development Limited Partnership	**Port Capital Development Inc.**
PER: Authorized Signatory	PER: Authorized Signatory
Port Capital Development (EV) Inc. as the General Partner of Evergreen House Development Limited Partnership	**Mr. Macario Teodoro Reyes**
PER: Authorized Signatory	**Mr. Macario Teodoro Reyes**

SCHEDULE "A" – STANDARD CLAUSES

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED TUESDAY MAY 11, 2021)

1. PROPERTY TAXES AND OTHER CHARGES:

The Borrower(s) will pay all taxes, assessments, utilities, strata and/or condominium fees and all other amounts charged or levied against the Secured Property when the same are due and payable, and provide evidence to the Lender on an annual basis by no later than August 31 of each year, that they are fully paid and up to date.

Subject to the discretion of the Lender, any advance under the Loan will be conditional on the Borrower(s) providing evidence to the Lender that all taxes, assessments, utilities, strata and/or condominium fees and all other amounts charged or levied against the Secured Property have been paid in full.

2. INSURANCE:

The Borrower(s) will insure and keep insured the Secured Property and all chattel property against the following perils:

a) With respect to all buildings and other improvements, if any, now or hereinafter situated on the Secured Property, and all insurable property included within the buildings, coverage against loss or damage by fire and other insurable hazards, including earthquakes, defined in an "all risks" policy for the full replacement cost with provision for permission to occupy and with automatic vacancy permit.

b) If applicable, during construction for the full contract price plus extras and additions which, from time to time, may be added thereto using standard Builders' Risk - "all risk" form or equivalent. The policy is to grant permission for partial occupancy.

c) If applicable, standard comprehensive boiler and pressure vessel insurance for the full replacement cost of the Secured Property and all improvements thereon or such lesser amount as shall be acceptable to the Lender.

d) If applicable, business interruption insurance or rental loss insurance acceptable to the Lender for an indemnity period of not less than 100% of the resulting loss of rent and/or other revenue received from the operation of the building.

e) Loss or damage of all personal property by fire or other insurable hazards, including theft, in an amount not less than the full replacement cost thereof.

f) Public liability insurance to an amount not less than $2,000,000 on an occurrence basis.

The policies of insurance to be maintained shall not contain any co-insurance clauses and shall be in a form and with insurers satisfactory to the Lender, and/or its insurance consultant, and shall include the agreement of the insurer that the policy will not be cancelled without at least 15 days prior written notice of intended cancellation to the Lender. The Lender shall be named in all policies as "Loss Payee" and/or as "Additional Insured", as its interest may appear, and the Borrower shall provide to the Lender an updated Certificate of Insurance upon renewal, and in any event,15 days prior to the expiration of any insurance policy for the Secured Property.

The Lender reserves the right to engage the services of an insurance consultant, at the Borrower(s)' expense, to verify the adequacy of the policies of insurance.

3. DOCUMENTATION AND SOLICITOR'S APPROVAL:

Loan documentation will be drawn by the Lender's solicitor using the Lender's specified forms. The full Loan amount will be advanced to the Borrower(s) only when the title to and all security in connection with the Loan and all other documents and matters with respect to the Loan being necessary or advisable to the Lender's solicitors are complete, satisfactory and acceptable to the Lender's solicitors.

4. COSTS:

The Borrower(s) and Covenantor(s) shall pay, whether or not all or any part of the Loan is advanced, all legal costs, registration fees, appraisal fees, consulting fees and all out-of-pocket expenses incurred by the Lender relating to the Loan in preparation for and completion of the transaction contemplated by this Commitment Letter. Such costs, fees and expenses may be deducted out of the Loan funds to be disbursed, and this Commitment Letter shall constitute an irrevocable direction by the Borrower(s) and Covenantor(s) in that regard.

Upon the Borrower(s)' repayment of the Loan in full, including all interest and other charges owing thereon, the Lender shall provide the Borrower with a discharge of the Loan security registered against the Borrower(s), Covenantor(s) and Secured Property (to be prepared and delivered to the Lender by the Borrower(s) or its solicitor at its own cost) upon payment to the Lender of the discharge fee outlined herein (where permissible by provincial law).

5. TITLE:

The Borrower(s) are, or shall become, the registered and beneficial freehold interest owner of the Secured Property at the time of the disbursement of any part of the Loan. The Borrower(s) will have, as the registered owner of the Secured Property, a good and marketable title in fee simple to the Secured Property, and the Lender will be in priority over all other encumbrances, leases, agreements for leases, restrictions, agreements, liens, assignments, easements, mortgages and charges whatsoever to the extent of the Loan except for such encumbrances to which the Lender may consent to in writing.

The Secured Property and all improvements thereon shall have been duly authorized and comply in all respects with all applicable laws, bylaws, government requirements, whether federal, provincial, or municipal, including without restriction, those dealing with zoning, use, occupancy, liquor license, subdivision, parking, historical designations, fire access, loading facilities, landscaped areas, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and there shall be no outstanding work orders, judicial or administrative actions, suits, or proceedings pending or threatened against the Secured Property or the improvements or any part thereof.

6. REPRESENTATIONS AND WARRANTIES OF DOMAIN FUNDING:

The Borrower(s) and Covenantor(s) acknowledge that Domain Funding has made no verbal or written representations or warranties related to the Loan, the Secured Property, or the ability to provide future financing of the Secured Property after the Loan Funding Date, except as expressly outlined in this Commitment Letter.

7. REPRESENTATIONS AND WARRANTIES OF BORROWER(S) AND COVENANTOR(S):

The Borrower(s) and Covenantor(s) represent and warrant the following to Domain Funding and the Lender:

a) The Borrower(s) are, or shall become, the registered and beneficial freehold interest owner of the Secured Property at the time of the disbursement of any part of the Loan.
b) The Borrower(s) is the legal and beneficial owner of all the right, title and interest to the Secured Property and holds no portion of the legal or beneficial interest in the Secured Property in trust for any party(s).
c) All other mortgage loans to the Borrower(s) with any lender have not been in arrears in the last 12 months, except as disclosed to and approved by Domain Funding.
d) All financial statements and other documents and information delivered by the Borrower(s) and Covenantor(s) in connection with the Borrower(s)' application for the Loan are true, complete and accurate and representative of the financial condition of the Borrower(s) and Covenantor(s).
e) Neither the Borrower(s) nor the Covenantor(s) are in default under any agreement or instruments to which any of them are a party that materially affects any of their businesses, property, assets or financial condition.
f) At the time of disbursement of any part of the Loan, no default shall have occurred and be continuing, nor any state of affairs or event shall be existing which, with the passage of time or the giving of notice or both, would constitute a default under any of the Loan Security documents, and neither the Borrower(s) nor the Covenantor(s) shall be deceased, insolvent or be subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, outstanding claims, actions, suits, judgments, investigations, reorganization, liquidation, winding up, dissolution, receivership or material litigation or continuation under laws of any jurisdiction, nor, to the best of the knowledge of the Borrower(s) or Covenantor(s) are there any pending or threatened. Any default herein shall be deemed to be a default under the Loan. Any default under the Loan shall be deemed to be a default hereunder.
g) The purpose of the Loan is primarily for business, investment or commercial purposes and is not primarily for personal, family or household purposes. The Borrower(s) will only use the Loan proceeds for the Loan purposes set out in the "Uses and Sources of Funds" section of this Commitment Letter.
h) Once executed by the Borrower(s) and Covenantor(s), this Commitment Letter and all other Loan security documentation will each be a valid and binding obligation of each of the Borrower(s) and Covenantor(s) in accordance with their terms.
i) All remittances required to be made by the Borrower(s) or Covenantor(s) to federal, provincial and municipal governments have been made, are currently up to date and not in arrears.
j) The Borrower(s) and/or Covenantor(s) have the ability to service the Loan debt.

The Borrower(s) and Covenantor(s) agree that the above representations and warranties will be true and correct as of the execution of this Commitment Letter and at the time of disbursement of any part of the Loan, and any extension or renewal of the Loan, and will survive the completion of the Loan and any extension or renewal thereof.

The Borrower(s) and Covenantor(s) represent and warrant that all financial and other information provided in connection with the Borrower(s)' Application to Finance the Secured Property is true, accurate and complete, and acknowledges that the terms and conditions contained in this Commitment Letter are based on reliance by Domain Funding and the Lender on the truth, accuracy and completeness of the information provided and the above representations.

8. COVENANTS OF BORROWER(S) AND COVENANTOR(S):

The Borrower(s) and Covenantor(s) hereby covenant to:

a) Comply with all Loan terms outlined in this Commitment Letter.
b) Keep all prior and subsequent mortgages registered against the Secured Property, as permitted by the Lender, current and in good status while the Loan remains outstanding.
c) If applicable, comply with all provisions of the Builders Lien Act (or equivalent provincial statute where the Secured Property is located).
d) If applicable, supply to the Lender a statutory declaration in conjunction with each advance under the Loan, confirming the status of any holdback account(s) as at the date of the statutory declaration.
e) Promptly deliver to the Lender the information and documentation required hereunder and such further information and documentation, such as financial reports, as is requested by the Lender or its solicitor, concerning the Borrower(s), Covenantor(s), the Secured Property, or the Project (if applicable), and to advise the Lender immediately upon a material adverse change or the discovery of a discrepancy or inaccuracy in or to the information and documentation provided to the Lender in connection with the Loan.
f) Take all appropriate remedial action in the event of a violation of any environmental law, release of hazardous substances on the Secured Property or any other contamination of the Secured Property.
g) Not further encumber the Secured Property without the written consent of the Lender.
h) Comply with provincial securities acts and mortgage broker acts, where applicable.
i) Remain in good standing with the Canada Revenue Agency (CRA) with respect to tax filings and remittances.
j) Neither the Borrower(s) nor their employees, officers, directors, or agents will represent that financing is available from Domain Funding or Domain Mortgage Corp. to any contractors, trades, or suppliers performing work on the Secured Property.

9. PUBLISHING, MARKETING AND SIGNAGE:

The Borrower(s) and Covenantor(s) agree to allow Domain Funding to photograph or utilize existing photographs of the Secured Property and to publish such photographs along with details of the Loan in internal and/or external marketing programs.

The Borrower(s) and Covenantor(s) also agree to allow Domain Funding the right to install on the Secured Property, at Domain Funding's expense, up to four "Domain Funding" financing signs, the location(s) of which shall be mutually agreed to by the parties.

10. CONFIDENTIALITY AND DISCLOSURE:

The Borrower(s) and Covenantor(s) acknowledge and agree that the terms and conditions of this Commitment Letter are confidential between the Borrower(s), the Covenantor(s), Domain Funding and the Lender. The Borrower(s) and Covenantor(s) agree not to disclose the information contained herein to any third party without the written consent of the Lender.

The Borrower(s) and Covenantor(s) also acknowledge and agree that the Lender may, at its sole discretion, syndicate the Loan, including to affiliates or associates of the Lender as co-lenders or the sole lender of the Loan, and may disclose to co-lenders, investors and their share or unit holders, as applicable, any or all information provided to the Lender by the Borrower(s) and Covenantor(s), including but not limited to corporate and personal financial information.

11. CONSENT TO COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:

The Borrower(s) and Covenantor(s) hereby authorize Domain Funding and/or the Lender to obtain information from any credit reporting agency or credit granting organization as required at any time and consents to the disclosure of such information at any time to any credit reporting agency or credit granting organization.

In addition, without limiting the foregoing, the Borrower(s) and Covenantor(s), if an individual, hereby acknowledge that they have read and understood Domain Funding's current privacy policy, including specifically the provisions respecting the collection, use and disclosure of personal information, and hereby consents to the collection, use and disclosure of their personal information by Domain Funding and/or the Lender in accordance with Domain Funding's current privacy policy, as described on Domain Funding's company website: www.domainfunding.ca.

12. ASSIGNMENT:

The Loan may be assigned by the Lender at which time the Lender shall be relieved by the Borrower(s) and Covenantor(s) of all liabilities and claims relating to the Loan hereunder. The Loan is neither assignable nor transferable by the Borrower(s) or Covenantor(s) without the written approval of the Lender. In addition, the Lender may appoint or engage another party to service and administer the Loan, including collection of payments under the Loan and the approval of Conditions Precedent to Funding the Loan, without prior notice to or consent of the Borrower(s) and/or Covenantor(s).

13. ADVERSE CHANGE:

It is a term and condition of the granting, approval and continuation of the Loan, both before and after the disbursement of funds, that, in the Lender's sole opinion, an adverse change relating to the Borrower(s), the Covenantor(s), the Project (if applicable), the Secured Property, the Loan Security or the risk associated with the Loan shall not have occurred, including that there are no actions, suits or pending proceedings involving the Borrower(s) or any Covenantor(s). In the event of an adverse change, the Lender may, in its sole discretion, declare or treat it as an event of default under the Loan, may cease or delay further funding, may terminate this Commitment Letter and may exercise any and all remedies available to it under this Commitment Letter and the Lender's Loan Security or at law or in equity.

14. COUNTERPARTS AND FACSIMILE/E-MAIL EXECUTION:

This Commitment Letter may be executed in one or more counterparts, each of which when so executed will constitute an original, and all of which will constitute one and the same Commitment Letter. Also, this Commitment Letter may be executed by the parties and transmitted by facsimile or by e-mail (with PDF attachment), and if so executed and transmitted this Commitment Letter shall be for all purposes as effective as if the parties had delivered an executed original copy of this Commitment Letter.

15. SEVERABILITY:

Each of the provisions in this Commitment Letter is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of this Commitment Letter. To the extent permitted by applicable law, the parties waive any provision of law that renders any provision of this Commitment Letter invalid or unenforceable in any respect.

16. GOVERNING LAWS:

The agreement constituted by the Borrower(s)' and Covenantor(s)' acceptance of this Commitment Letter shall be governed by the laws of the province of British Columbia.

17. BORROWER'S SOLICITOR:

The Lender shall have the right to approve the solicitor(s) for the Borrower(s) and the Lender may, in its sole discretion, require the Borrower to change its solicitors at any time.

18. DISCHARGE OF LOAN SECURITY:

Prior to the discharge of the Lender's mortgage security, the Borrower(s)/Covenantor(s) must provide the Lender, at the Lender's request, a CRA Clearance Certificate, satisfactory to the Lender, indicating that the Borrower(s)/Covenantor(s) are in good standing with the CRA with respect to tax filings and remittances and that no funds are owing to the CRA.

19. SURVIVAL:

The obligation and promise of the Borrower(s) and Covenantor(s) to pay the Loan Fee(s), interest on the Loan amount at the interest rate from the time the Loan amount was available for advance, up to and including the date the Loan is repaid or no longer available, including minimum interest, legal fees and disbursements, shall survive the lapse, termination or cancellation of this Commitment Letter.

The terms and conditions of this Commitment Letter shall, after acceptance by the Borrower(s) and Covenantor(s), survive the execution and registration of all security documentation and there shall be no merger of these provisions or conditions in the security provided that in the case of a conflict between the provisions hereof and of any of the security documents, the Lender shall be entitled to elect which provisions shall prevail.

20. TIME SHALL BE OF THE ESSENCE:

It is understood that, with reference to all terms and conditions of this Commitment Letter, time shall be of the essence.

Commitment Letter Dated May 11, 2021
Loan #: 2021-BC010

SCHEDULE "B" – PROMISSORY NOTE

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED TUESDAY MAY 11, 2021)

Date of Promissory Note:	**May 11, 2021**
Principal Sum of Promissory Note:	**$145,000.00**
Interest Commencement Date of Promissory Note:	**May 26, 2021**
Maturity Date of Promissory Note:	**June 11, 2021**

FOR VALUE RECEIVED including TEN DOLLARS (the receipt and sufficiency of which is hereby acknowledged by the parties signing this Promissory Note) and other good and valuable consideration, we promise to pay on demand to Bankers Mortgage Corporation d/b/a Domain Funding at its office located at #1100 – 1040 West Georgia Street, Vancouver, British Columbia, the sum of ONE HUNDRED FORTY-FIVE THOUSAND DOLLARS (hereinafter called the "Principal Sum") with interest thereon at the rate of 18.00% per annum, calculated monthly as well after as before maturity, default and judgment with overdue interest at the same rate as on the Principal Sum, on the maturity date of this Promissory Note.

We agree that, as security for payment of the PROMISSORY NOTE, we hereby mortgage and charge our right, title and interest in the real property located at;

Civic Address:	1250 West Hastings Street, Vancouver B.C. V6E 4H1
Legal Description:	Lot 18, Block 29, Plan VAP92, District Lot 185, New Westminster Land District, Exc That Pt of Canadian Pacific Railway Srw as Described in Absolute Fee Parcels Book, Volume 9, Folio 317, No. 1154c, & Exc S 7 Ft Now Rd
PIDs:	006-721-397

as and by way of an equitable mortgage, in favour of Bankers Mortgage Corporation d/b/a Domain Funding. The equitable mortgage created hereby shall remain in effect until the PROMISSORY NOTE is paid in full.

The undersigned hereby jointly and severally waive demand or presentment for payment, notice of dishonor, protest and notice of protest, and hereby agree to pay, upon the default of any payment hereof, all expenses related or incidental to the PROMISSORY NOTE including all costs for enforcement on a true indemnity, solicitor and own client costs basis.

Signed, sealed and delivered this 11 **day of** May **, 2021.**

BORROWER(S):	**COVENANTOR(S):**
Evergreen House Development Limited Partnership	**Port Capital Development Inc.**
PER: Authorized Signatory	PER: Authorized Signatory
Port Capital Development (EV) Inc. as the General Partner of Evergreen House Development Limited Partnership	**Mr. Macario Teodoro Reyes**
PER: Authorized Signatory	**Mr. Macario Teodoro Reyes**

Initials of Borrower(s)/Covenantor(s):

SCHEDULE "C" – BORROWER(S)' INFORMATION

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED TUESDAY MAY 11, 2021)

1. **BORROWER(S):**

Name: ______________________________

Registered Records Office: ______________________________

____

Telephone: ______________________________

Fax: ______________________________

E-Mail: ______________________________

2. **BORROWER(S)' SOLICITOR:**

Name: ______________________________

Address: ______________________________

____

Telephone: ______________________________

Fax: ______________________________

E-Mail: ______________________________

3. **BORROWER(S)' INSURANCE AGENT:**

Name: ______________________________

Address: ______________________________

____

Telephone: ______________________________

Fax: ______________________________

E-Mail: ______________________________

SCHEDULE "D" – PERMISSIBLE SUBSEQUENT ENCUMBRANCES

Copy of Title No. CA7287055

TITLE SEARCH PRINT 2021-01-12, 16:30:30

File Reference: PortTerrace Requestor: Freeman Yee

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	VANCOUVER
Land Title Office	VANCOUVER
Title Number	CA7287055
From Title Number	CA3968148
Application Received	2019-01-09
Application Entered	2019-01-19

Registered Owner in Fee Simple

Registered Owner/Mailing Address: PORT CAPITAL DEVELOPMENT (EV) INC., INC.NO. BC1005887
325 WEST 4TH AVENUE
VANCOUVER, BC
V5Y 1H3

Taxation Authority Vancouver, City of

Description of Land

Parcel Identifier: 006-721-397

Legal Description:

LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92

Legal Notations

HERETO IS ANNEXED EASEMENT BP238635 OVER PARCEL "L" BLOCK 29 DISTRICT LOT 185 GROUP 1 NEW WESTMINSTER DISTRICT PLAN LMP32821

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA3968149 FILED 2014-09-18

Charges, Liens and Interests

Nature:	RESTRICTIVE COVENANT
Registration Number:	R18424
Remarks:	SEE 151466L

Nature:	EASEMENT AND INDEMNITY AGREEMENT
Registration Number:	J7909
Registration Date and Time:	1981-01-28 13:30
Registered Owner:	CITY OF VANCOUVER

TITLE SEARCH PRINT

File Reference: PortTerrace

2021-01-12, 16:30:30

Requestor: Freeman Yee

Nature:	EASEMENT
Registration Number:	BP238634
Registration Date and Time:	2000-10-04 12:45
Remarks:	APPURTENANT TO PARCEL "L" BLOCK 29 DISTRICT LOT 185 GROUP 1 NWD PLAN LMP32821

Nature:	MORTGAGE
Registration Number:	CA6395613
Registration Date and Time:	2017-10-25 14:37
Registered Owner:	AVIVA INSURANCE COMPANY OF CANADA INCORPORATION NO. A0051421

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA6395614
Registration Date and Time:	2017-10-25 14:37
Registered Owner:	AVIVA INSURANCE COMPANY OF CANADA INCORPORATION NO. A0051421

Nature:	MORTGAGE
Registration Number:	CA7337616
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	CMLS FINANCIAL LTD. INCORPORATION NO. BC0124226

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7337617
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	CMLS FINANCIAL LTD. INCORPORATION NO. BC0124226

Nature:	PRIORITY AGREEMENT
Registration Number:	CA7337731
Registration Date and Time:	2019-02-06 16:03
Remarks:	GRANTING CA7337616 PRIORITY OVER CA6395613 AND CA6395614

Nature:	PRIORITY AGREEMENT
Registration Number:	CA7337732
Registration Date and Time:	2019-02-06 16:03
Remarks:	GRANTING CA7337617 PRIORITY OVER CA6395613 AND CA6395614

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8047964
Registration Date and Time:	2020-02-21 12:07
Registered Owner:	AR-CON HOLDINGS LTD. INCORPORATION NO. BC1172997

TITLE SEARCH PRINT
File Reference: PortTerrace

2021-01-12, 16:30:30
Requestor: Freeman Yee

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8140760
Registration Date and Time:	2020-04-15 16:55
Registered Owner:	URBAN ONE BUILDERS CM INC. INCORPORATION NO. BC1028882

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8148543
Registration Date and Time:	2020-04-21 11:42
Registered Owner:	MATAKANA SCAFFOLDING B.C. INC. INCORPORATION NO. BC0683439

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8154113
Registration Date and Time:	2020-04-23 17:28
Registered Owner:	FRANCL ARCHITECTURE INC. INCORPORATION NO. BC1143645

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8155198
Registration Date and Time:	2020-04-24 11:09
Registered Owner:	DOKA CANADA LTD./LTEE INCORPORATION NO. A0070064

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8170195
Registration Date and Time:	2020-05-01 11:14
Registered Owner:	CAIRNS ELECTRIC LTD. INCORPORATION NO. BC1191875

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	WX2147027
Registration Date and Time:	2020-05-01 13:44
Registered Owner:	DYNAMIC STRUCTURES LTD.

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8187493
Registration Date and Time:	2020-05-13 14:07
Registered Owner:	GLASTECH GLAZING CONTRACTORS LTD. INCORPORATION NO. BC1188251

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8193236
Registration Date and Time:	2020-05-15 12:26
Registered Owner:	TWO PILLARS CONSTRUCTION LTD. INCORPORATION NO. BC0740590

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8198230
Registration Date and Time:	2020-05-20 12:53
Registered Owner:	CENTURA BUILDING SYSTEMS (2013) LTD. INCORPORATION NO. BC0959038

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA8208931
Registration Date and Time:	2020-05-27 11:24
Registered Owner:	URBAN ONE BUILDERS CM INC. INCORPORATION NO. BC1028882

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8213493
Registration Date and Time:	2020-05-28 15:40
Registered Owner:	RDH BUILDING SCIENCE INC. INCORPORATION NO. BC0549924

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8232262
Registration Date and Time:	2020-06-08 16:39
Registered Owner:	COLUMBIA SEAL LTD. INCORPORATION NO. 1091476

Nature:	MORTGAGE
Registration Number:	CA8277031
Registration Date and Time:	2020-06-30 16:49
Registered Owner:	DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY INCORPORATION NO. A0056166

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8381710
Registration Date and Time:	2020-08-25 09:42
Registered Owner:	HARRIS STEEL ULC INCORPORATION NO. A0078280

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8381711
Registration Date and Time:	2020-08-25 09:42
Registered Owner:	HARRIS STEEL ULC INCORPORATION NO. A0078280

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8381712
Registration Date and Time:	2020-08-25 09:42
Registered Owner:	HARRIS STEEL ULC DBA HARRIS REBAR INCORPORATION NO. A0078280

TITLE SEARCH PRINT

File Reference: PortTerrace

2021-01-12, 16:30:30

Requestor: Freeman Yee

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8381713
Registration Date and Time:	2020-08-25 09:42
Registered Owner:	HARRIS STEEL ULC INCORPORATION NO. A0078280

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8381714
Registration Date and Time:	2020-08-25 09:42
Registered Owner:	HARRIS STEEL ULC INCORPORATION NO. A0078280

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8381715
Registration Date and Time:	2020-08-25 09:42
Registered Owner:	HARRIS STEEL ULC INCORPORATION NO. A0078280

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA8430537
Registration Date and Time:	2020-09-15 15:37
Registered Owner:	INTEGRAL GROUP CONSULTING (BC) LLP

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

This is **Exhibit "B"** referred to in the
Affidavit of T. REYES sworn
this 21ST day of MAY, 2021.

A Commissioner for taking Affidavits within
British Columbia

COMMMITMENT LETTER
AND ACKNOWLEDGEMENT

TO: **Tobi Reyes**
325 West 4th Avenue
Vancouver, British Columbia
V5Y 1H3

Re: **$1,500,000 Loan**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**").

The undersigned lender (the "**Lender**") agrees to provide a loan in the amount of $1,500,000 (the "**Loan**") to Macario Teodoro Reyes or assignee (the "**Borrower**"). The Loan will be provided on or before May 24, 2021.

The Lender acknowledges that the Loan is being provided to the Borrower for the purpose of assisting the Borrower to acquire the CMLS Loan and the DIP Loan related to the Terrace House Project.

Dated this 7th day of May, 2021.

1260780 BC Ltd.
Print Legal Name of Company

Per: ______________________
Authorized Signatory

This is **Exhibit "C"** referred to in the
Affidavit of T. REYES sworn
this 21ST day of MAY, 2021.

A Commissioner for taking Affidavits within
British Columbia

Signed Irrevocable Direction for Deposits Held at Denton's

	Unit #		$'s
1	801	Luz Consuelo Reyes	$ 2,800,000
2	1001	1192706 B.C. Ltd.	$ 1,155,000
3	CRU	1208596 B.C. Ltd.	$ 975,201
4	901	1301981 B.C. Ltd.	$ 1,162,500
5	403	1207867 B.C. Ltd.	$ 645,000
6	503	Robert Davis	$ 592,500
7	401	Simon Wong	$ 675,000
		TOTAL:	**$ 8,005,201**

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender being credited with a deposit against a unit in the Terrance House Project.

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject only to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, and (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: Luz Consuelo Reyes
Deposit Amount Held in Trust at Dentons: $2,800,000.00
Unit: 801

Dated this 13th day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDPEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:

Witness Signature

WENDY TAN LIM
Printed Name of Witness

#702-6240 MCKAY AVE, BURNABY, BC V5H4L8
Witness Address

LAWYER
Witness Occupation

LUZ CONSUELO REYES

Seal

NATDOCS\53962538\V-3

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds, including the Deposit, back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender, including the undersigned, being credited with a deposit against a unit in the Terrance House Project (the "**Transaction**").

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan, and (4) the consent of the undersigned to release the Deposit after undersigned's counsel has reviewed the definitive documents required to effect the Transaction. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

S. A.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: 1192706 B.C. Ltd.
Deposit Amount Held in Trust at Dentons: $1,155,000.00
Unit: 1001

Dated this 18th day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED REMOTELY BY VIDEO CONFERENCE AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:

Witness Signature

Nicholas J. Carlson

Printed Name of Witness

900 - 885 West Georgia St., Vancouver, BC

Witness Address

Lawyer

Witness Occupation

1192706 B.C. LTD.

Authorized Signatory

Seal

S.A.

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds, including the Deposit, back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender, including the undersigned, being credited with a deposit against a unit in the Terrance House Project (the "**Transaction**").

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan, and (4) the consent of the undersigned to release the Deposit after undersigned's counsel has reviewed the definitive documents required to effect the Transaction. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

S.A.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: 1208596 B.C. Ltd.
Deposit Amount Held in Trust at Dentons: $417,057.00 and $558,144.00
Unit: CRU#1 and CRU#2

Dated this 18th day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED REMOTELY BY VIDEO CONFERENCE AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:

Witness Signature

Nicholas J. Carlson
Printed Name of Witness

900 - 885 West Georgia St., Vancouver, BC
Witness Address

Lawyer
Witness Occupation

1208596 B.C. LTD.

Authorized Signatory

S. A.

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender being credited with a deposit against a unit in the Terrance House Project.

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject only to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, and (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: 1301981 B.C. Ltd.
Deposit Amount Held in Trust at Dentons: $1,162,500.00
Unit: 901

Dated this 6 day of May, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED.

WITNESSED BY:

Witness Signature

Joseph Scott
Printed Name of Witness

935 Salsbury Dr. Van. BC
Witness Address

Property Manager
Witness Occupation

1301981 B.C. LTD.

Authorized Signatory

Seal

CONFIRMATION and AUTHORIZATION

Hudani Investment Corp. ("**Hudani**") confirms that the deposit in the amount of $1,162,500.00 and held by Dentons Canada LLP in trust for the purchase of Unit 901 of the Terrace House Project is hereby irrevocably assigned by it to 1301981 B.C. Ltd. ("**981 Ltd.**") in consideration for 981 Ltd. agreeing to fulfill the terms and conditions of the purchase contract for the Unit 901, as amended, and arranging for or causing the release of Hudani from such purchase.

Hudani irrevocably authorizes Dentons Canada LLP to accept instructions from 981 Ltd. regarding the deposit and its use for 981 Ltd.

HUDANI INVESTMENT CORP.

Per: ____________________

Print Name: Imtiyaz Hudani (CEO)

Date: May 6, 2021, 2021

____
Signature of Witness

A. Thaver
Print Name of Witness

Acknowledged by:

1301981 B.C. LTD.

Per: ____________________

Print Name: AUTHORIZED SIGNATORY

Date: May 6, 2021

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender being credited with a deposit against a unit in the Terrance House Project.

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject only to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, and (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: 1207867 B.C. Ltd.
Deposit Amount Held in Trust at Dentons: $645,000.00
Unit: 403

Dated this 30th day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDPEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:

C Gregg
Witness Signature

Carol Gregg
Printed Name of Witness

415 N High Ave, High Point NC
Witness Address

Furniture Designer
Witness Occupation

1207867 B.C. LTD.

Dean Maltz
Authorized Signatory

Seal

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West [illegible] Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement [illegible] between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender being credited with a deposit against a unit in the Terrance House Project.

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject only to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, and (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: Robert Davis
Deposit Amount Held in Trust at Dentons: $592,500.00
Unit: 503

Dated this _____ day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDPEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:

Witness Signature

Jeffrey Welsh
Printed Name of Witness

9643 Awellay Ave., Northridge CA 91325
Witness Address

Attorney
Witness Occupation

ROBERT DAVIS

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender being credited with a deposit against a unit in the Terrance House Project.

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject only to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, and (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

This irrevocable direction allows the use of the Deposit for participation into a loan to the Junior Lender secured against the purchased CMLS Loan mortgage. This direction does not convert this loan into equity. That would require a follow up equity conversion agreement. If no follow up agreement to convert into equity is accepted and signed by you, the Deposit would be repaid when the loan gets refinanced through the Construction Financing. If the Conditions are not met, then the Deposit will remain in trust at Dentons LLP.

Name of Deposit Holder: Simon Wong
Deposit Amount Held in Trust at Dentons: $675,000.00
Unit: 401

Dated this 7 day of May, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED.

WITNESSED BY:

Mary Wong
Witness Signature

Mary Wong
Printed Name of Witness

987 Crystal Court Coq
Witness Address

housewife
Witness Occupation

SIMON WONG

Seal

This is the 3rd affidavit
of Macario Teodoro Reyes in this case
and was made on 04/JUNE/2021

No. S-205095
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

AFFIDAVIT

I, **MACARIO TEODORO REYES**, businessman, of 325 West 4th Avenue, Vancouver, BC V5Y 1H3, SWEAR (OR AFFIRM) THAT:

1. I am a director and officer of Port Capital Group Inc. ("**Port Capital Group**"), the petitioner Port Capital Development (EV) Inc. (the "**General Partner**") and 1296371 B.C. Ltd. ("**129**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, and, as to such facts, I verily believe the same to be true.

2. I swear this affidavit to provide certain updates to matters described in my second affidavit, sworn May 21, 2021. Capitalized terms in this affidavit have the meaning given to them in my second affidavit, unless otherwise defined herein.

3. At paragraph 15 of my second affidavit, I outlined the sources of funds that would be used to pay the Interim Financing Facility, and redeem and take an assignment of the loan and security held by CMLS.

4. After further negotiations with Domain, it has issued a Second Revised Commitment Letter, dated June 4, 2021 (the "**Second Domain Commitment Letter**"), in the amount of $14.7 million. Now shown to me and attached hereto as **Exhibit "A"** is a copy of the Second Domain Commitment Letter.

5. The Second Domain Commitment Letter confirms that all material conditions, other than court approval and consent from Aviva, have been satisfied. Fees in the total amount of $342,000 have been paid to Domain to secure an unconditional commitment letter, including the "funding fee" required for Domain to present an offering memorandum to its investors and secure the $14.7 million necessary to fund the proposed loan, which it has now done.

6. Further, I have had extensive discussions with Aviva, which has resulted in Aviva issuing a support letter confirming it will consent to the proposed refinancing, on certain terms. Now shown to me and attached hereto as **Exhibit "B"** is a copy of the Aviva consent.

7. Pursuant to the Aviva consent, the priority among Domain, NumberCo, 129 and Aviva following the re-financing transaction will be as follows:

(a) First, Domain up to the principal amount of $14.7 million;

(b) Second, 129 (in respect of the Deposits), as to 65%, and Aviva, as to 35%, *pro rata* up to the principal amount of $8,005,201

(c) Third, Aviva, for the balance owed to it;

(d) Fourth, NumberCo, for the balance owed to it; and

(e) Fifth, 129, for the balance owed to it.

8. The foregoing effectively amounts to Luz Consuelo Reyes (who is my mother, and the sole director and officer of NumberCo) subordinating the loan from NumberCo, and her $2.8 million deposit, to Aviva. Luz Reyes has consented to this subordination.

9. Attached to my second affidavit were irrevocable directions from the Pre-Sale Purchasers authorizing the use of their deposits in the proposed refinancing transaction. The irrevocable directions provided by 1192706 B.C. Ltd. and 1208596 B.C. Ltd. contained a condition that the direction was subject to, "the consent of the undersigned to release the Deposit after undersigned counsel has reviewed the definitive documents required to effect the Transaction."

10. This condition has now been satisfied. Now shown to me and attached hereto as **Exhibit "C"** is a copy of irrevocable directions from the foregoing Pre-Sale Purchasers with the relevant condition removed.

11. Lastly, NumberCo had previously given an unconditional commitment to fund a loan in the amount of $1.5 million in connection with this refinancing transaction. In order to ensure there are sufficient funds to redeem CMLS in full, NumberCo has agreed to increase the amount of its loan to $2.15 million. Now shown to me and attached hereto as **Exhibit "D"** is a copy of an email from Luz Reyes to myself, confirming the increase. I am informed by Robert Quon, of Dentons, and verily believe the same to be true, that Dentons holds the funds required to advance this loan in trust.

12. The total funding contemplated by the foregoing transaction, including fees pre-paid to Domain, is $24,960,201. This provides sufficient funding to:

(a) pay the remaining fees owing to Domain pursuant to the Revised Commitment Letter, and provide sufficient holdbacks as contemplated therein;

(b) pay the amounts owing to the beneficiaries of the Administration Charge, the Interim Lender, and CMLS, in full; and

(c) reserve $250,000 to pay the break-fees contemplated by the purchase agreements signed by Landa and Solterra, in the event those are payable.

13. Now shown to me and attached hereto as **Exhibit "E"** is a table setting out the sources and uses of funds in connection with the proposed refinancing transaction.

SWORN (OR AFFIRMED) BEFORE ME at Vancouver, BC, on 04/JUNE/2021	
A Commissioner for taking Affidavits within British Columbia	**MACARIO TEODORO REYES**

JORDAN D. SCHULTZ
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

1

DOMAIN FUNDING

Domain Funding
1100–1040 West Georgia St.
Vancouver, BC V6E 4H1
604.681.3000

This is Exhibit " A " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 9 day of June, 2021
A Commissioner for taking Affidavits for British Columbia

Friday, June 4, 2021

Loan #: 2021-BC011

Evergreen House Development LP
Port Capital Development (EV) Inc.
Port Capital Development Inc.
Mr. Macario Teodoro Reyes
c/o 325 West 4th Avenue,
Vancouver, B.C. V5Y 1H3

E-mail: tobi@portliving.com

Dear Sir:

SECOND REVISED
COMMITMENT LETTER
("2RCL")

Bankers Mortgage Corporation doing business as Domain Funding is pleased to present you with a commitment to provide a loan with terms and conditions described herein and on the attached Schedules (the "Loan").

1. SECURED PROPERTY:

Civic Address:	1250 West Hastings Street, Vancouver B.C.
Legal Description:	LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92
PIDs:	006-721-397

The above property(s) is referred to herein as the "Secured Property".

2. LENDER/MORTGAGEE:

Name:	**Domain Mortgage Corp.** syndicated in trust for private mortgage investors, and/or nominee.
Address:	1100 – 1040 W. Georgia St. Vancouver, BC V6E 4H1

Hereinafter referred to as the "Lender".

3. BORROWER(S)/MORTGAGOR(S) AND ASSIGNEE(S) AND/OR NOMINEE(S):

Name:	**Evergreen House Development Limited Partnership**
Relationship:	The beneficial owner of the Secured Property
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3
Name:	**Port Capital Development (EV) Inc.**
Relationship:	The registered owner of the Secured Property and the General Partner of Evergreen House Development Limited Partnership
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3

4. COVENANTOR(S):

The Lender(s) will require the Loan to be guaranteed by the personal and/or corporate shareholders of the Borrowing Company(s) and/or others (the "Covenantors").

To date the following Covenantors have been identified:

Name:	**Macario Teodoro Reyes**
Relationship to Borrower:	Principal of Port Capital Development Inc.
Address:	#801-2211 Cambie Street, Vancouver, B.C. V5Z 2T5
Name:	**Port Capital Development Inc.**
Relationship to Borrower:	100% shareholder of Port Capital Development (EV) Inc.
Address:	325 West 4th Avenue, Vancouver, B.C. V5Y 1H3

5. LOAN TYPE AND PURPOSE:

To assist in (i) the redemption and repayment of the interim financing ("Interim Financing") provided by Desjardins Financial Security Life Assurance Company ("Desjardins") and, (ii) together with 1296371 B.C. Ltd. (the "Junior Lender"), the purchase and assignment of the existing loans and security (the "Existing Security") provided by CMLS Financial Ltd., as agent for and on behalf of certain lenders (collectively the "Existing Lenders").

The Interim Financing is in the principal amount of $1,287,274.88 (subject to verification), secured by a super-priority court-ordered charge over all assets, undertakings and property of the Borrowers.

The Existing Loan is in the principal amount of $21,233,416.87 (subject to verification).

The Interim Financing and the Existing Loan are secured by the following Mortgages and Assignments of Rents registered on title to the Secured Property:

Nature:	MORTGAGE
Registration Number:	CA7337616
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	CMLS FINANCIAL LTD. INCORPORATION NO. BC0124226
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA7337617
Registration Date and Time:	2019-02-06 15:25
Registered Owner:	CMLS FINANCIAL LTD. INCORPORATION NO. BC0124226
Nature:	MORTGAGE
Registration Number:	CA8277031
Registration Date and Time:	2020-06-30 16:49
Registered Owner:	DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY INCORPORATION NO. A0056166

(collectively, the foregoing loans, the "Existing Loan", and the foregoing security interests, are referred to herein as the "Existing Security").

6. USES AND SOURCES OF FUNDS:

Loan proceeds to be used in accordance with the following Uses and Sources of Funds budget:

Uses of Funds

Payout CMLS Financial Ltd. (estimate)	$ 21,233,416.87
Payout Desjardins Financial Security Life Assurance Company (estimate)	$ 1,287,274.88
Provision of a Payment Reserve to the CCAA Monitor (estimate)	$ 250,000.00
Domain Mortgage Corp Loan Servicing Fee (0.25% of the Loan amount)	$ 18,375.00
Monthly Interest Reserve (6 months - see below)	$ 866,250.00
Domain Funding Mortgage Broker Fee (2.0% of the Loan amount)	$ 294,000.00
Domain Securities Corp Fund Raising Fee (1.0% of the Loan amount)	$ 147,000.00
Lender's CCAA Reporting Consultant - (estimate)	$ 60,000.00
Lender's legal fees, title insurance, misc., etc. (estimate)	$ 40,000.00
Total Uses of Funds	**$ 24,196,316.75**
Total Uses of Funds (Rounded)	**$ 24,197,000.00**

Sources of Funds

Domain Mortgage Corp. Mortgage Loan Amount (First Loan Segment)	$ 10,500,000.00
Domain Mortgage Corp. Mortgage Loan Amount (Second Loan Segment)	$ 4,200,000.00
Paid Amount of Domain Funding Mortgage Broker Fee	$ 145,000.00
Paid Amount of Lender's legal fee	$ 27,000.00
Additional Equity requirement and/or Junior Lender requirement (est.)	$ 9,325,000.00
Total Sources of Funds	**$ 24,197,000.00**

NOTE 1: The above budget has been prepared by Domain Funding based on information provided by the Borrower(s) and Covenantor(s) and is subject to change.

NOTE 2: All figures listed in above budget are subject to verification and approval by the Lender.

NOTE 3: At the option of the Lender, any Loan proceeds will be controlled and/or disbursed by the Lender or its solicitor for the purposes outlined above or for other Lender-approved purposes.

NOTE 4: Any shortfall of funds to complete the assignment and transfer of the Existing Mortgage is the responsibility of the Borrower(s), Covenantor(s), and 1296371 B.C. Ltd.

NOTE 5: The Borrower(s) will pay $100,000 (or such other amount recommended by the Monitor of the CCAA proceedings pursuant to the Monitor's budget as approved by the Lender) from the Loan proceeds representing a payment to the Monitor on closing to cover anticipated future costs of the Monitor (including their counsel in the CCAA proceeding. The balance of the $250,000 Provision of a Payment Reserve will be held by the Lender in a reserve as against protective disbursements including without limitation monitor's or other costs. If the monitor's costs exceed the amount advanced to the monitor the Borrower(s) shall pay those costs and the Lender shall not be obligated to (but may) pay any additional costs from the said reserve.

NOTE 6: The Borrower(s) will assign $60,000 (or such other amount recommended by the Lender's solicitor) from the Loan proceeds representing a provision for a CCAA Reporting Consultant to provide reporting to and to advise the Lender with respect to the CCAA proceedings.

7. JUNIOR LENDER PARTICIPATION WITHIN THE EXISTING SECURITY:

1296371 B.C. Ltd. will become a Junior-ranking participant in the proposed new ownership of the Existing Security subordinate in all respects to the $14,700,000 aggregate amount of the Loan and will enter into a participation Agreement (the "**Participation and Stand Still Agreement**") with Domain Mortgage Corp. to be prepared by the Lender's Lawyer, or in the alternative, there will be sufficient recapitalization of the Borrower(s) to fund monies required (in addition to the Loan) to refinance the

Existing Lenders and retire the Interim Financing, without participating in the Loan and the related security.

The Participation and Stand Still Agreement will contain a provision allowing the Junior Lender to purchase the Loan and the interest of the Lender in the Existing Security and to transfer the administration of the Existing Security upon payment to the Lender of the amount owing under the Loan and subject to the Lender receiving the minimum interest provisions contained herein and otherwise as required by the Lender's lawyer.

The Participation and Stand Still Agreement will subordinate the Junior Lender to the Lender in all respects and the Lender or the Lender's nominee will administer the Loan and the interest of the Junior Lender in the Existing Security.

The Participation and Stand Still Agreement will contain provision(s) to cause unpaid interest, if and when due, to be made by Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd. and to apply interest due under the Loan exceeding the interest prescribed under the Existing Security to be deducted from the ownership interest of 1296371 B.C. Ltd., and in priority to the ownership interest of 1296371 B.C. Ltd., in the Existing Security.

The standstill provisions of the Participation and Stand Still Agreement will prohibit the Junior Lender from taking any action in respect of the Loan unless and until either:
a) the Loan is repaid in full; or
b) the Junior Lender purchases the Loan and the interest of the Lender from the Lender.

8. LOAN FUNDING DATE:

A date to be determined by the Lender NOT BEFORE June 23, 2021 and NOT AFTER June 30, 2021, subject to the following prior events:

(i) CCAA Monitor and Court to approve assignment and transfer of the Existing Security by June 8, 2021, in a form satisfactory to the Lender

The Borrower(s) acknowledges that interest on the Loan shall accrue from the date that funds are provided by the Lender to its solicitor in preparation for the funding of the Loan, whether or not the Borrower(s) and Covenantor(s) are in a position to draw funds in accordance with the terms and conditions of this Commitment Letter.

9. PAYMENT PROVISIONS:

The Loan will be divided into the following (2) Loan Segments with (2) differing interest rates in recognition of differing risk profiles within the $14,700,000 composition of the Loan.

Loan Amount:	$10,500,000.00 (the "First Loan Segment") $ 4,200,000.00 (the "Second Loan Segment") $14,700,000.00 (the "Loan")

Terms of $10,500,000 First Loan Segment

Term:	6 months from Interest Adjustment Date
Amortization:	Interest Only
Interest Rate:	Up to and including Nov. 30, 2021: The greater of Prime + 8.05% per annum or 10.50% per annum, compounded monthly Commencing Dec. 1, 2021: 12.00% per annum, compounded monthly
Interest Calculation Period:	Monthly

Payment Dates:	1st day of month during Loan Term	
Interest Adjustment Date:	July 1, 2021	
First Payment Date:	August 1, 2021	
Periodic Payment Amounts:	$91,875.00	interest payment
	$ 2,187.50	Loan servicing fee (0.25% of Loan Amount)
	$94,062.50	

Monthly interest payments during the term of the Loan will be made using Monthly Payment Reserve(s) held by the Lender. If and when Monthly Payment Reserve(s) held by the Lender are depleted, interest due under the Loan be made by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd.

Balance Due Date: Jan. 1, 2022

Terms of $4,200,000 Second Loan Segment

Term: 6 months from Interest Adjustment Date.

Amortization: Interest Only

Interest Rate: Second Loan Segment:

Prior to the first day of the last month of the Loan Term:

18.00% per annum, compounded monthly

Commencing the first day of the last month of the Loan Term:

24.00% per annum, compounded monthly

Interest Calculation Period:	Monthly	
Payment Dates:	1st day of month during Loan Term	
Interest Adjustment Date:	July 1, 2021	
First Payment Date:	August 1, 2021	
Periodic Payment Amounts:	$ 52,500.00	interest payment
	$ 875.00	Loan servicing fee (0.25% of Loan Amount)
	$ 53,375.00	subtotal

Monthly interest payments during the term of the Loan will be made using Monthly Payment Reserve(s) held by the Lender. If and when Monthly Payment Reserve(s) held by the Lender are depleted, interest due under the Loan be made by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd.

Balance Due Date: Jan. 1, 2022

10. EARLY REPAYMENT TERMS:

The Loan may be repaid in full without penalty provided the Lender has first received payment of Loan Interest and Loan Servicing Fees of not less than $884,625.00. Unless otherwise specified herein, partial repayment of the Loan is not permitted without the written consent of the Lender.

11. LOAN RESERVE(S):

The Lender requires the Borrower(s) to assign the following Monthly Payment Reserve to the Lender from the Loan Proceeds (collectively the "Loan Reserve(s)"). Upon payout of the Loan in full, any unused amounts in the Loan Reserve(s) will be returned to the Borrower(s) subject to the Early Repayment Terms outlined herein.

11.1 MONTHLY PAYMENT RESERVE:

The Borrower(s) will assign $884,625.00 to the Lender from the Loan proceeds representing a Monthly Payment Reserve which, upon the occurrence of an event of default of the Loan, the Borrower(s) agrees to and so directs the Lender to withdraw from the Monthly Payment Reserve payments to maintain monthly Loan interest and Loan Servicing Fee payments, to pay for any costs to enforce the terms of the Loan, including legal, and/or receivership costs, and/or for any costs to realize on the Loan Security, at the Lender's sole discretion.

Such payments shall be of the same force and effect as if made personally by the Borrower(s), however, shall not constitute a cure or waiver of a default by virtue of the failure to comply with any other payment terms herein. The Lender shall not pay interest on the interest reserve or any monies held or advanced as further security for the Loan.

12. SPECIAL TERMS AND CONDITIONS:

The Lender will require the following SPECIAL TERMS AND CONDITIONS, all of which must be found satisfactory to the Lender and its Solicitor:

a) Approval of the proposed form of Order and Court approval in CCAA Proceeding No. S-205095 approving the transfer and assignment of the Existing Loans and the Existing Security, on or before June 8, 2021.

b) DIP Financing to be fully paid out and a Court Order terminating the DIP Financing.

c) Review of monitor's budget through the term of the Loan.

d) Administration charge to be fully paid as of the funding date and removed and replaced by the funding of the security to the Monitor or alternatively the Administration charge limited to an amount satisfactory to the Lender.

e) Provision of a Payment Reserve to CCAA Monitor (with a current estimate of $250,000, but subject to change), of which $100,000 is to be advanced to the Monitor on closing, to cover anticipated future costs of the Monitor and its counsel in the CCAA Proceedings.

f) Consent of Aviva Insurance Company of Canada to the transfer and assignment of the Existing Loan and Existing Security to the Lender and agreement to not seek a reverse vesting order or challenge the interest of the participants in the new ownership of the Existing Security or otherwise to seek to modify the registration of the Existing Loans and the Existing Security as a first-ranking charge registered on title to the Secured Property.

g) Court approval referred to in 12.a), above, to include the following provisions:

- Carve out of the Existing Loans and the Existing Security from the stay of proceedings in connection with CCAA Proceeding No. S-205095.
- Stays of proceedings to be extended to the term of the Loan.
- No further DIP financing without consent of the Lender;
- CCAA Monitor's powers to be reduced to allow Borrower(s) to complete the Project;
- CCAA to go into "dormant status" for the term of the Loan, meaning that no further steps are to be taken in the CCAA Proceeding during the stays of proceedings without the consent of the Lender

13. PERMISSIBLE PRIOR ENCUMBRANCES:

The Lender will permit the following prior charge(s) to be registered against the Secured Property:

The Administration charge, if not removed and replaced by reserve funding, subject to limitation to the satisfaction of the Lender as contemplated by Section 12(d) hereof.

14. PERMISSIBLE SUBSEQUENT ENCUMBRANCES:

The Lender will permit the following subsequent-ranking financial charge(s) to be registered against title to the Secured Property:

Those charges registered against Land Title No. CA7287055 set out in Schedule "D".

15. LOAN SECURITY:

The Lender will require the following Loan Security and other or further Loan Security (the "Loan Security"), all of which must be found satisfactory to the Lender and its Solicitor:

a) An assignment of the Existing Loans and Existing Security to the Lender.

b) Assignment of a $884,625 Monthly Payment Reserve to the Lender.

c) Assignment of a $60,000 CCAA Reporting Consultant allowance to the Lender.

d) Assignment of the Lender-approved Payment Reserve to the Monitor of the CCAA proceeding.

e) To the extent not included in the Existing Security:

   i. General Security Agreement with respect to the Borrower(s) and Covenantor(s) under the P.P.S.A.
   ii. Personal and/or corporate covenants as required by the Lender.
   iii. Principals of the Borrowing Company and any Corporate Covenantor(s) to postpone any Shareholder Loans to the Lender.
   iv. Property insurance, acceptable to the Lender.
   v. Title insurance in favour of the Lender including the Extended Super Priority Lien Coverage under the Lender's Master Policy with First Canadian Title.
   vi. Hazardous substances and environmental indemnity agreement by the Borrower(s)/Covenantor(s) in favour of the Lender

f) Court approval of the security and the transaction including a declaration the Lender has a first charge on the assets.

g) Such other and further Loan security in connection with the Secured Property as may be required by the Lender or its solicitor.

16. STANDARD CLAUSES:

Standard terms, conditions, covenants, representations and warranties are attached to and form part of this Commitment Letter as outlined in Schedule "A".

17. CONDITIONS PRECEDENT TO FUNDING:

17.8 Funding of the Loan is conditional upon receipt of the following items from the Borrower(s) and Covenantor(s), on or **before Wednesday, June 16, 2021**, all to be found satisfactory to the Lender and its solicitor:

a) An executed copy of this Commitment Letter.

b) Payment of the Non-Refundable Working Fee of $25,000.00 payable to "Domain Funding" by way of bank draft upon your acceptance of this Term Sheet. **SATISFIED**

c) Review and approval of the executed assignment and transfer agreement with respect to the purchase and assignment of the Existing Loans and the Existing Security, and all supporting documents including the commitment letter issued by CMLS Financial Ltd. as amended and its replacement by this Commitment Letter. **PENDING**

d) Verification of minimum of $9,325,000 of funds required to be contributed by the Borrower(s), the Covenantor(s), and/or by 1296371 B.C. Ltd. to complete the refinance of the Existing Lenders and purchase and assignment of the Existing Loans and the Existing Security. **PENDING**

e) Satisfactory review of and opinion with respect to the following by the Lender' solicitor:

   i. Mortgage CA7337616 registered i/n/o CMLS Financial Ltd.
   ii. Assignment of rents CA7337617 registered i/n/o CMLS Financial Ltd.
   iii. Mortgage CA8277031 registered i/n/o Desjardins Financial Security Life Assurance Co.

   PENDING

f) Satisfactory review of and opinion with respect to the following by the Lender' solicitor:

   i. Commitment Letter, issued by CMLS Financial Ltd. dated July 4, 2018 and all amendments, including, without limitation,
      - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated December 12, 2018, and
      - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated February 1, 2019, and
      - Amendment to Commitment Letter, issued by CMLS Financial Ltd. dated June 25, 2019,

   and its replacement by this Commitment Letter on funding.

   SATISFIED

g) Satisfactory inspection of the Secured Property by the Lender. **SATISFIED**

h) Satisfactory review by the Lender of the Certificate of Title for the Secured Property. **SATISFIED**

i) Satisfactory review by the Lender of the Organizational Chart of the Borrowers and any company providing a corporate covenant. **SATISFIED**

j) Satisfactory review by the Lender of the most recent Financial Statements for the Borrowing Company(s) and any company providing a corporate covenant (unless newly formed), prepared by a qualified accounting firm. **SATISFIED**

k) Confirmation of legal and beneficial ownership of the Secured Property, the Borrowing Company, and any company providing a corporate covenant including copies of any trust, joint venture, and/or limited partnership agreement(s). **SATISFIED**

l) Current, signed and dated Personal Net Worth Statement of any personal Borrower(s) or person(s) providing a covenant including details of all assets and liabilities. The PNW Statement should be prepared on Domain Funding forms with explanatory notes and/or attachments where necessary. **SATISFIED**

m) Credit Bureau Report for any personal Borrower(s) or person(s) providing a covenant. **SATISFIED**

n) Detailed real estate development resume of the Borrower(s)/Covenantor(s). **SATISFIED**

o) Satisfactory review by the Lender of Development and Building Permits issued by the City of Vancouver related to the Project. **SATISFIED**

p) A complete set of current architectural drawings (11" x 17") of the Project (Issued for Construction). **SATISFIED**

q) Geotechnical Report, acceptable to the Lender, confirming the Secured Property contains satisfactory soil conditions to permit development of the Secured Property. **SATISFIED**

r) Transmittal Letter(s), acceptable to the Lender, from the Geotechnical Engineer authorizing the use of their report for mortgage financing purposes. **SATISFIED**

s) Environmental Report(s), acceptable to the Lender, demonstrating that the Secured Property is environmentally clean. **SATISFIED**

t) Transmittal Letter(s), acceptable to the Lender, from the Environmental Consultant authorizing the use of their report for mortgage financing purposes. **SATISFIED**

u) Appraisal Report and Transmittal Letter from RYAN ULC demonstrating $26,000,000 minimum "as is" land value for the Secured Property. **SATISFIED**

v) Transmittal Letter(s), acceptable to the Lender, from RYAN ULC authorizing the use of their Appraisal Report for mortgage financing purposes. **PENDING**

w) Satisfaction of the SPECIAL TERMS AND CONDITIONS outlined in Section 12., herein. **PENDING**

x) Such other and further information, material or requirements that may be required by Domain Funding, the Lender or the Lender's solicitor.

17.9 Funding of the Loan is conditional upon receipt of the following items from the Borrower(s) and Covenantor(s), on or **before Wednesday, June 23, 2021**, all to be found satisfactory to the Lender and its solicitor:

a) Receipt of insurance policies, including confirmation of paid insurance premiums, satisfactory to the Lender and/or its solicitor.

b) Registered Loan Security satisfactory to Lender's solicitor.

c) Such other and further information, material or requirements that may be required by Domain Funding, the Lender or the Lender's solicitor.

17.10 Domain Securities Corp., a related-party to Domain Funding, has advised Domain Funding that it has approved the Loan as a qualified mortgage investment for its private mortgage investors and that its investors will provide the monies necessary to fund the Loan on the Loan Funding Date. As a result, the fund-raising requirement of this 2RCL has been **SATISFIED.**

17.11 Upon satisfaction of all Conditions Precedent to Funding, as determined by the Lender and its solicitor at their sole discretion, the entire Loan Amount will be advanced to the Borrower(s) in one advance in accordance with the terms and conditions of this Commitment Letter.

18. POST FUNDING CONDITIONS:

None.

19. PAYMENT OF LOAN FEES:

Pursuant to Schedule "A" of the Loan Retainer Agreement dated Thursday, April 29, 2021, the $25,000 Non-Refundable Working Fee has been received.

The following further amounts are due as follows:

$ 80,000.00 Initial MORTGAGE BROKER FEE due upon issuance of the Loan Commitment Letter dated May 7, 2021. **RECEIVED**

$ 65,000.00 Second MORTGAGE BROKER FEE due upon issuance of the Revised Loan Commitment Letter dated May 11, 2021. **RECEIVED**

$147,000.00 Fund Raising Fee payable to Domain Securities Corp. due upon the issuance of the Second Revised Loan Commitment Letter dated June 4, 2021.

$149,000.00 Third MORTGAGE BROKER FEE due upon the earlier of: (a) the funding of the Loan; or (b) the Loan Funding Date specified in the 2RCL; or (c) the cancellation of the Loan Commitment Letter(s) by the Borrower(s). The $149,000.00 Third MORTGAGE

BROKER FEE will be further evidenced and secured by a Promissory Note to be issued and executed by the Borrower(s) and Covenantor(s) along with the Loan Commitment Letter(s).

20. LOAN SERVICING AND ADMINISTRATIVE FEES:

The Borrower(s) and Covenantor(s) agree to pay the following Loan Servicing and Administrative Fees during the Loan term:

a) Loan Servicing Fee of 0.25% per annum, calculated and paid monthly. The Loan Servicing Fee is payable by the Borrower to the Lender as the administrator of the Loan, as compensation for collecting and making interest payments, Loan record-keeping, and post funding administration of the Loan in the normal course;

b) $500.00 non-sufficient funds (NSF) fee, per occurrence.

c) $500.00 late payment fee, per occurrence.

d) $500.00 discharge fee, per title to be discharged.

e) $500.00 per hour (or portion thereof) administration fee for each occasion Domain Funding or the Lender provides administrative services outside the normal course administration of the Loan.

21. LENDER'S SOLICITOR:

Legal work and documentation will be performed, at the Borrower(s)' expense, by the Lender's solicitor, as follows:

Name:	Alan Frydenlund
Firm:	Owen Bird
Address:	Bentall 3, Suite 2900, 595 Burrard Street, Vancouver, BC V7X 1J5
Telephone:	(604) 691-7511
Email:	afrydenlund@owenbird.com

22. BORROWER(S)' INFORMATION:

The Borrower(s) must complete the information required in Schedule "C" attached to this Commitment Letter upon acceptance of this Commitment Letter.

23. DEDUCTIONS FROM LOAN PROCEEDS BY LENDER'S SOLICITOR:

The Borrower(s) and Covenantor(s) acknowledge and agree that the Lender's solicitor will be deducting the following amounts from the Loan Proceeds:

Interest Adjustment:	Lender's solicitor to advise.
Balance of Mortgage Broker Fee:	$149,000.00 (payable to Domain Funding)
Fund Raising Fee:	$147,000.00 (payable to Domain Securities Corp.)
Monthly Payment Reserve:	$884,625.00 (payable to Domain Mortgage Corp.)
Provision of a Payment Reserve for the CCAA Monitor:	$250,000.00 (payee to be named)
Lender's CCAA Reporting Consultant:	$60,000.00 (payee to be named)
Lender's Legal Fees:	$40,000.00 (estimate)

NOTE: Payouts of existing mortgages, outstanding taxes, utilities, etc. are to be deducted from mortgage proceeds and paid by the Lender's solicitor and/or paid by the Borrower(s)' solicitor subject to the appropriate undertakings.

24. LOAN FUNDING EXPIRY DATE:

Unless the Loan is funded by the Lender and funds are drawn by the Borrower(s) in accordance with the terms and conditions of this Commitment Letter on or before **Wednesday, June 30, 2021**, then, the Lender's obligation to fund the Loan will become null and void.

25. ACCEPTANCE:

The Borrower(s) and Covenantor(s) must indicate their acceptance of this Commitment Letter by completing, signing and initialing where indicated, and by completing, signing, and initialing Schedule "A", Schedule "B", Schedule "C", and Schedule "D" attached, and returning to Domain Funding along with the $147,000.00 Fund Raising Fee payable to Domain Securities Corp. on or before 5:00 P.M. on Friday, June 4, 2021.

The $80,000 Initial Mortgage Broker Fee has been previously received in connection with the Commitment Letter dated Friday, May 7, 2021.

The $65,000 Second Mortgage Broker Fee has been previously received in connection with the Commitment Letter dated Tuesday, May 11, 2021.

If this Commitment Letter is not accepted by the Borrower(s) and Covenantor(s) or if the $147,000.00 Fund Raising Fee payable to Domain Securities Corp. by 5:00 P.M. on Friday, June 4, 2021, then the Lender's obligation to fund the Loan will cease.

Yours truly,

DOMAIN Funding

PER: Authorized Signatory

ACCEPTANCE OF COMMITMENT LETTER

I/We hereby understand and accept the terms and conditions of this Commitment Letter and the attached Schedules.

Accepted this 4th day of June, 2021

BORROWER(S):	COVENANTOR(S):
Evergreen House Development Limited Partnership PER: Authorized Signatory	**Port Capital Development Inc.** PER: Authorized Signatory
Port Capital Development (EV) Inc. as the General Partner of Evergreen House Development Limited Partnership PER: Authorized Signatory	**Mr. Macario Teodoro Reyes** **Mr. Macario Teodoro Reyes**

SCHEDULE "A" – STANDARD CLAUSES

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED FRIDAY JUNE 4, 2021)

1. **PROPERTY TAXES AND OTHER CHARGES:**

The Borrower(s) will pay all taxes, assessments, utilities, strata and/or condominium fees and all other amounts charged or levied against the Secured Property when the same are due and payable, and provide evidence to the Lender on an annual basis by no later than August 31 of each year, that they are fully paid and up to date.

Subject to the discretion of the Lender, any advance under the Loan will be conditional on the Borrower(s) providing evidence to the Lender that all taxes, assessments, utilities, strata and/or condominium fees and all other amounts charged or levied against the Secured Property have been paid in full.

2. **INSURANCE:**

The Borrower(s) will insure and keep insured the Secured Property and all chattel property against the following perils:

a) With respect to all buildings and other improvements, if any, now or hereinafter situated on the Secured Property, and all insurable property included within the buildings, coverage against loss or damage by fire and other insurable hazards, including earthquakes, defined in an "all risks" policy for the full replacement cost with provision for permission to occupy and with automatic vacancy permit.
b) If applicable, during construction for the full contract price plus extras and additions which, from time to time, may be added thereto using standard Builders' Risk - "all risk" form or equivalent. The policy is to grant permission for partial occupancy.
c) If applicable, standard comprehensive boiler and pressure vessel insurance for the full replacement cost of the Secured Property and all improvements thereon or such lesser amount as shall be acceptable to the Lender.
d) If applicable, business interruption insurance or rental loss insurance acceptable to the Lender for an indemnity period of not less than 100% of the resulting loss of rent and/or other revenue received from the operation of the building.
e) Loss or damage of all personal property by fire or other insurable hazards, including theft, in an amount not less than the full replacement cost thereof.
f) Public liability insurance to an amount not less than $2,000,000 on an occurrence basis.

The policies of insurance to be maintained shall not contain any co-insurance clauses and shall be in a form and with insurers satisfactory to the Lender, and/or its insurance consultant, and shall include the agreement of the insurer that the policy will not be cancelled without at least 15 days prior written notice of intended cancellation to the Lender. The Lender shall be named in all policies as "Loss Payee" and/or as "Additional Insured", as its interest may appear, and the Borrower shall provide to the Lender an updated Certificate of Insurance upon renewal, and in any event, 15 days prior to the expiration of any insurance policy for the Secured Property.

The Lender reserves the right to engage the services of an insurance consultant, at the Borrower(s)' expense, to verify the adequacy of the policies of insurance.

3. **DOCUMENTATION AND SOLICITOR'S APPROVAL:**

Loan documentation will be drawn by the Lender's solicitor using the Lender's specified forms. The full Loan amount will be advanced to the Borrower(s) only when the title to and all security in connection with the Loan and all other documents and matters with respect to the Loan being necessary or advisable to the Lender's solicitors are complete, satisfactory and acceptable to the Lender's solicitors.

4. **COSTS:**

The Borrower(s) and Covenantor(s) shall pay, whether or not all or any part of the Loan is advanced, all legal costs, registration fees, appraisal fees, consulting fees and all out-of-pocket expenses incurred by the Lender relating to the Loan in preparation for and completion of the transaction contemplated by this Commitment Letter. Such costs, fees and expenses may be deducted out of the Loan funds to be disbursed, and this Commitment Letter shall constitute an irrevocable direction by the Borrower(s) and Covenantor(s) in that regard.

Upon the Borrower(s)' repayment of the Loan in full, including all interest and other charges owing thereon, the Lender shall provide the Borrower with a discharge of the Loan security registered against the Borrower(s), Covenantor(s) and Secured Property (to be prepared and delivered to the Lender by the Borrower(s) or its solicitor at its own cost) upon payment to the Lender of the discharge fee outlined herein (where permissible by provincial law).

5. TITLE:

The Borrower(s) are, or shall become, the registered and beneficial freehold interest owner of the Secured Property at the time of the disbursement of any part of the Loan. The Borrower(s) will have, as the registered owner of the Secured Property, a good and marketable title in fee simple to the Secured Property, and the Lender will be in priority over all other encumbrances, leases, agreements for leases, restrictions, agreements, liens, assignments, easements, mortgages and charges whatsoever to the extent of the Loan except for such encumbrances to which the Lender may consent to in writing.

The Secured Property and all improvements thereon shall have been duly authorized and comply in all respects with all applicable laws, bylaws, government requirements, whether federal, provincial, or municipal, including without restriction, those dealing with zoning, use, occupancy, liquor license, subdivision, parking, historical designations, fire access, loading facilities, landscaped areas, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and there shall be no outstanding work orders, judicial or administrative actions, suits, or proceedings pending or threatened against the Secured Property or the improvements or any part thereof.

6. REPRESENTATIONS AND WARRANTIES OF DOMAIN FUNDING:

The Borrower(s) and Covenantor(s) acknowledge that Domain Funding has made no verbal or written representations or warranties related to the Loan, the Secured Property, or the ability to provide future financing of the Secured Property after the Loan Funding Date, except as expressly outlined in this Commitment Letter.

7. REPRESENTATIONS AND WARRANTIES OF BORROWER(S) AND COVENANTOR(S):

The Borrower(s) and Covenantor(s) represent and warrant the following to Domain Funding and the Lender:

a) The Borrower(s) are, or shall become, the registered and beneficial freehold interest owner of the Secured Property at the time of the disbursement of any part of the Loan.

b) The Borrower(s) is the legal and beneficial owner of all the right, title and interest to the Secured Property and holds no portion of the legal or beneficial interest in the Secured Property in trust for any party(s).

c) All other mortgage loans to the Borrower(s) with any lender have not been in arrears in the last 12 months, except as disclosed to and approved by Domain Funding.

d) All financial statements and other documents and information delivered by the Borrower(s) and Covenantor(s) in connection with the Borrower(s)' application for the Loan are true, complete and accurate and representative of the financial condition of the Borrower(s) and Covenantor(s).

e) Neither the Borrower(s) nor the Covenantor(s) are in default under any agreement or instruments to which any of them are a party that materially affects any of their businesses, property, assets or financial condition.

f) At the time of disbursement of any part of the Loan, no default shall have occurred and be continuing, nor any state of affairs or event shall be existing which, with the passage of time or the giving of notice or both, would constitute a default under any of the Loan Security documents, and neither the Borrower(s) nor the Covenantor(s) shall be deceased, insolvent or be subject to any bankruptcy, arrangement with creditors, proposal, amalgamation, outstanding claims, actions, suits, judgments, investigations, reorganization, liquidation, winding up, dissolution, receivership or material litigation or continuation under laws of any jurisdiction, nor, to the best of the knowledge of the Borrower(s) or Covenantor(s) are there any pending or threatened. Any default herein shall be deemed to be a default under the Loan. Any default under the Loan shall be deemed to be a default hereunder.

g) The purpose of the Loan is primarily for business, investment or commercial purposes and is not primarily for personal, family or household purposes. The Borrower(s) will only use the Loan proceeds for the Loan purposes set out in the "Uses and Sources of Funds" section of this Commitment Letter.

h) Once executed by the Borrower(s) and Covenantor(s), this Commitment Letter and all other Loan security documentation will each be a valid and binding obligation of each of the Borrower(s) and Covenantor(s) in accordance with their terms.

i) All remittances required to be made by the Borrower(s) or Covenantor(s) to federal, provincial and municipal governments have been made, are currently up to date and not in arrears.

j) The Borrower(s) and/or Covenantor(s) have the ability to service the Loan debt.

The Borrower(s) and Covenantor(s) agree that the above representations and warranties will be true and correct as of the execution of this Commitment Letter and at the time of disbursement of any part of the Loan, and any extension or renewal of the Loan, and will survive the completion of the Loan and any extension or renewal thereof.

The Borrower(s) and Covenantor(s) represent and warrant that all financial and other information provided in connection with the Borrower(s)' Application to Finance the Secured Property is true, accurate and complete, and acknowledges that the terms and conditions contained in this Commitment Letter are based on reliance by Domain Funding and the Lender on the truth, accuracy and completeness of the information provided and the above representations.

8. COVENANTS OF BORROWER(S) AND COVENANTOR(S):

The Borrower(s) and Covenantor(s) hereby covenant to:

a) Comply with all Loan terms outlined in this Commitment Letter.
b) Keep all prior and subsequent mortgages registered against the Secured Property, as permitted by the Lender, current and in good status while the Loan remains outstanding.
c) If applicable, comply with all provisions of the Builders Lien Act (or equivalent provincial statute where the Secured Property is located).
d) If applicable, supply to the Lender a statutory declaration in conjunction with each advance under the Loan, confirming the status of any holdback account(s) as at the date of the statutory declaration.
e) Promptly deliver to the Lender the information and documentation required hereunder and such further information and documentation, such as financial reports, as is requested by the Lender or its solicitor, concerning the Borrower(s), Covenantor(s), the Secured Property, or the Project (if applicable), and to advise the Lender immediately upon a material adverse change or the discovery of a discrepancy or inaccuracy in or to the information and documentation provided to the Lender in connection with the Loan.
f) Take all appropriate remedial action in the event of a violation of any environmental law, release of hazardous substances on the Secured Property or any other contamination of the Secured Property.
g) Not further encumber the Secured Property without the written consent of the Lender.
h) Comply with provincial securities acts and mortgage broker acts, where applicable.
i) Remain in good standing with the Canada Revenue Agency (CRA) with respect to tax filings and remittances.
j) Neither the Borrower(s) nor their employees, officers, directors, or agents will represent that financing is available from Domain Funding or Domain Mortgage Corp. to any contractors, trades, or suppliers performing work on the Secured Property.

9. PUBLISHING, MARKETING AND SIGNAGE:

The Borrower(s) and Covenantor(s) agree to allow Domain Funding to photograph or utilize existing photographs of the Secured Property and to publish such photographs along with details of the Loan in internal and/or external marketing programs.

The Borrower(s) and Covenantor(s) also agree to allow Domain Funding the right to install on the Secured Property, at Domain Funding's expense, up to four "Domain Funding" financing signs, the location(s) of which shall be mutually agreed to by the parties.

10. CONFIDENTIALITY AND DISCLOSURE:

The Borrower(s) and Covenantor(s) acknowledge and agree that the terms and conditions of this Commitment Letter are confidential between the Borrower(s), the Covenantor(s), Domain Funding and the Lender. The Borrower(s) and Covenantor(s) agree not to disclose the information contained herein to any third party without the written consent of the Lender.

The Borrower(s) and Covenantor(s) also acknowledge and agree that the Lender may, at its sole discretion, syndicate the Loan, including to affiliates or associates of the Lender as co-lenders or the sole lender of the Loan, and may disclose to co-lenders, investors and their share or unit holders, as applicable, any or all information provided to the Lender by the Borrower(s) and Covenantor(s), including but not limited to corporate and personal financial information..

11. CONSENT TO COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:

The Borrower(s) and Covenantor(s) hereby authorize Domain Funding and/or the Lender to obtain information from any credit reporting agency or credit granting organization as required at any time and consents to the disclosure of such information at any time to any credit reporting agency or credit granting organization.

In addition, without limiting the foregoing, the Borrower(s) and Covenantor(s), if an individual, hereby acknowledge that they have read and understood Domain Funding's current privacy policy, including specifically the provisions respecting the collection, use and disclosure of personal information, and hereby consents to the collection, use and disclosure of their personal information by Domain Funding and/or the Lender in accordance with Domain Funding's current privacy policy, as described on Domain Funding's company website: www.domainfunding.ca.

12. **ASSIGNMENT:**

The Loan may be assigned by the Lender at which time the Lender shall be relieved by the Borrower(s) and Covenantor(s) of all liabilities and claims relating to the Loan hereunder. The Loan is neither assignable nor transferable by the Borrower(s) or Covenantor(s) without the written approval of the Lender. In addition, the Lender may appoint or engage another party to service and administer the Loan, including collection of payments under the Loan and the approval of Conditions Precedent to Funding the Loan, without prior notice to or consent of the Borrower(s) and/or Covenantor(s).

13. **ADVERSE CHANGE:**

It is a term and condition of the granting, approval and continuation of the Loan, both before and after the disbursement of funds, that, in the Lender's sole opinion, an adverse change relating to the Borrower(s), the Covenantor(s), the Project (if applicable), the Secured Property, the Loan Security or the risk associated with the Loan shall not have occurred, including that there are no actions, suits or pending proceedings involving the Borrower(s) or any Covenantor(s). In the event of an adverse change, the Lender may, in its sole discretion, declare or treat it as an event of default under the Loan, may cease or delay further funding, may terminate this Commitment Letter and may exercise any and all remedies available to it under this Commitment Letter and the Lender's Loan Security or at law or in equity.

14. **COUNTERPARTS AND FACSIMILE/E-MAIL EXECUTION:**

This Commitment Letter may be executed in one or more counterparts, each of which when so executed will constitute an original, and all of which will constitute one and the same Commitment Letter. Also, this Commitment Letter may be executed by the parties and transmitted by facsimile or by e-mail (with PDF attachment), and if so executed and transmitted this Commitment Letter shall be for all purposes as effective as if the parties had delivered an executed original copy of this Commitment Letter.

15. **SEVERABILITY:**

Each of the provisions in this Commitment Letter is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of this Commitment Letter. To the extent permitted by applicable law, the parties waive any provision of law that renders any provision of this Commitment Letter invalid or unenforceable in any respect.

16. **GOVERNING LAWS:**

The agreement constituted by the Borrower(s)' and Covenantor(s)' acceptance of this Commitment Letter shall be governed by the laws of the province of British Columbia.

17. **BORROWER'S SOLICITOR:**

The Lender shall have the right to approve the solicitor(s) for the Borrower(s) and the Lender may, in its sole discretion, require the Borrower to change its solicitors at any time.

18. **DISCHARGE OF LOAN SECURITY:**

Prior to the discharge of the Lender's mortgage security, the Borrower(s)/Covenantor(s) must provide the Lender, at the Lender's request, a CRA Clearance Certificate, satisfactory to the Lender, indicating that the Borrower(s)/Covenantor(s) are in good standing with the CRA with respect to tax filings and remittances and that no funds are owing to the CRA.

19. **SURVIVAL:**

The obligation and promise of the Borrower(s) and Covenantor(s) to pay the Loan Fee(s), interest on the Loan amount at the interest rate from the time the Loan amount was available for advance, up to and including the date the Loan is repaid or no longer available, including minimum interest, legal fees and disbursements, shall survive the lapse, termination or cancellation of this Commitment Letter.

The terms and conditions of this Commitment Letter shall, after acceptance by the Borrower(s) and Covenantor(s), survive the execution and registration of all security documentation and there shall be no merger of these provisions or conditions in the security provided that in the case of a conflict between the provisions hereof and of any of the security documents, the Lender shall be entitled to elect which provisions shall prevail.

20. TIME SHALL BE OF THE ESSENCE:

It is understood that, with reference to all terms and conditions of this Commitment Letter, time shall be of the essence.

SCHEDULE "B" – PROMISSORY NOTE

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED FRIDAY JUNE 4, 2021)

Date of Promissory Note:	**June 4, 2021**
Principal Sum of Promissory Note:	**$149,000.00**
Interest Commencement Date of Promissory Note:	**June 30, 2021**
Maturity Date of Promissory Note:	**July 1, 2021**

FOR VALUE RECEIVED including TEN DOLLARS (the receipt and sufficiency of which is hereby acknowledged by the parties signing this Promissory Note) and other good and valuable consideration, we promise to pay on demand to Bankers Mortgage Corporation d/b/a Domain Funding at its office located at #1100 – 1040 West Georgia Street, Vancouver, British Columbia, the sum of ONE HUNDRED FORTY-NINE THOUSAND DOLLARS (hereinafter called the "Principal Sum") with interest thereon at the rate of 18.00% per annum, calculated monthly as well after as before maturity, default and judgment with overdue interest at the same rate as on the Principal Sum, on the maturity date of this Promissory Note.

We agree that, as security for payment of the PROMISSORY NOTE, we hereby mortgage and charge our right, title and interest in the real property located at;

Civic Address:	1250 West Hastings Street, Vancouver B.C. V6E 4H1
Legal Description:	Lot 18, Block 29, Plan VAP92, District Lot 185, New Westminster Land District, Exc That Pt of Canadian Pacific Railway Srw as Described in Absolute Fee Parcels Book, Volume 9, Folio 317, No. 1154c, & Exc S 7 Ft Now Rd
PIDs:	006-721-397

as and by way of an equitable mortgage, in favour of Bankers Mortgage Corporation d/b/a Domain Funding. The equitable mortgage created hereby shall remain in effect until the PROMISSORY NOTE is paid in full.

The undersigned hereby jointly and severally waive demand or presentment for payment, notice of dishonor, protest and notice of protest, and hereby agree to pay, upon the default of any payment hereof, all expenses related or incidental to the PROMISSORY NOTE including all costs for enforcement on a true indemnity, solicitor and own client costs basis.

Signed, sealed and delivered this 4th **day of** June **2021.**

BORROWER(S):	**COVENANTOR(S):**
Evergreen House Development Limited Partnership	**Port Capital Development Inc.**
PER: Authorized Signatory	PER: Authorized Signatory
Port Capital Development (EV) Inc. as the General Partner of Evergreen House Development Limited Partnership	**Mr. Macario Teodoro Reyes**
PER: Authorized Signatory	**Mr. Macario Teodoro Reyes**

SCHEDULE "C" – BORROWER(S)' INFORMATION

(ATTACHED TO AND FORMING PART OF THE COMMITMENT LETTER DATED FRIDAY JUNE 4, 2021)

1. **BORROWER(S):**

Name:	Evergreen House Development LP
Registered Records Office:	325 West 4th Ave. Vancouver, BC V5Y 1H3
Telephone:	(604) 805-0282
Fax:	
E-Mail:	tobi@portliving.com

2. **BORROWER(S)' SOLICITOR:**

Name:	Robert Quon
Address:	20/F 250 Howe St. Vancouver, BC
Telephone:	(604) 622-5151
Fax:	
E-Mail:	robert.quon@dentons

3. **BORROWER(S)' INSURANCE AGENT:**

Name:	Chris McLean
Address:	1200 - 401 West Georgia St
Telephone:	(604) 443-2492
Fax:	(604) 682-4026
E-Mail:	chris.mclean@aon.ca

SCHEDULE "D" – PERMISSIBLE SUBSEQUENT ENCUMBRANCES

Copy of Title No. CA7287055

June 4, 2021

This is Exhibit " B " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 4 day of June, 2021

A Commissioner for taking Affidavits for British Columbia

Port Capital Development Inc.
328 West 2nd Avenue
Vancouver, BC
V5Y 1C8

1296371 B.C. Ltd.
328 West 2nd Avenue
Vancouver, BC
V5Y 1C8

Attention: Mr. Tobi Reyes

Dear Mr. Reyes,

Re:	**Deposit Protection Contract Facility ("DPI Facility")**
For:	**Evergreen House Development Limited Partnership by its general partner Port Capital Development (EV) Inc.**
Project:	**A 20-unit, nineteen-storey concrete & timber residential condominium building above an underground parkade, located at 1250 Hastings Street, Vancouver, BC, and known as Terrace House (Hereinafter referred to as the "Project")**

We make reference to the commitment letter dated October 17th, 2017 between, among others, Aviva Insurance Company of Canada ("**Aviva**") and Evergreen House Development Limited Partnership (the "**Principal**") by its general partner Port Capital Development (EV) Inc. (the "**General Partner**"), as amended from time to time (the "**Commitment Letter**").

The Principal has asked for Aviva's support of the offer made by 1296371 B.C. Ltd. ("**Junior Lender**") to redeem and/or take an assignment of the mortgages and other security interests held by Desjardins Financial Security Life Assurance Company and CMLS Financial Ltd., and to seek an extension of the *Companies' Creditors Arrangement Act*, No. VLC-S-S205095 proceedings (the "**CCAA Proceedings**").

Aviva is prepared to provide its support for the Offer (the "**Aviva Support**") on the basis of the conditions and covenants set forth in this letter agreement.

1. Each of the Principal, and Port Capital Development Inc. and Macario (Tobi) C. Reyes (together, the "**Indemnitors**") hereby acknowledges that no further deposits for the Project shall be insured under the DPI Facility unless approved by Aviva, in its sole discretion.

2. The Aviva Support is subject to the following conditions precedent being satisfied:

    a. Aviva, Junior Lender, Domain Mortgage Corp. ("**Domain**") and 1260780 B.C. Ltd. ("**1260780**") entered into an intercreditor agreement which will set out the following priorities for the mortgages and other security over the Project:

        i. Domain to rank first up to a maximum of $14,700,000;
        ii. Junior Lender (as to 65%) and Aviva (as to 35%) on a pari passu basis (as to their noted proportionate share) to rank second up to a maximum of $8,005,201 in the aggregate;
        iii. Aviva to rank third for the entirety of its claim;
        iv. 1260780 to rank fourth to a maximum of $2,150,000; and
        v. Junior Lender to rank fifth for the balance of its claim.

        (the "**Priorities**")

    b. The draft order to be submitted by the Junior Lender to the B.C Supreme Court under the CCAA Proceedings sets out the Priorities.

3. The Principal hereby covenants not to exit from the CCAA Proceedings or file any Plan of Arrangement or otherwise seek court sanction of any restructuring or similar unless and until:
    a. The Principal has paid to either Aviva or Aviva's lawyers in trust the sum of $500,000 (the "**Initial Reserve Monies**"). Aviva is hereby authorized to use the Initial Reserve Monies from time to time to pay (or reimburse Aviva for) any then existing or future claims made under insured deposits, and Aviva's premiums and expenses relating to the DPI Facility and the CCAA Proceedings, including Aviva's legal fees;
    b. The Principal has obtained and delivered to Aviva confirmations from each of the existing pre-sale purchasers insured by Aviva that the presale contracts remain in full force and effect, or deposited with Aviva or Aviva's lawyers in trust cash collateral in the sum of any potential claims that may be made under insured deposits (the "**Cash Collateral**"); and
    c. The Principal has obtained and delivered to Aviva re-affirmations from Luz Consuelo C. Reyes as to Units 302 and 303, and Paula Thomson as to Unit 301 and other pre-sale purchases in respect of the acknowledgements or releases previously signed and delivered by each of them to Aviva.

4. The Principal, Indemnitors and Junior Lender hereby acknowledge that Aviva's written consent, acting reasonably so long as the Principal and Indemnitors have complied with the terms of this letter agreement otherwise in Aviva's sole discretion, will be required for any future construction financing for the Project (the "**Construction Financing**"). Unless waived by Aviva in its sole discretion upon its review of the terms of the Construction Financing, at minimum, proceeds of the Construction Loan shall pay to Aviva or its lawyers in trust the sum of $2,800,000 (the "**Additional Reserve Monies**") less any Cash Collateral previously paid to Aviva. Aviva is authorized to use the

Additional Reserve Monies from time to time to pay (or reimburse Aviva for) any then existing or future claims made under insured deposits, and Aviva's premiums and expenses relating the DPI Facility and the CCAA Proceedings, including Aviva's legal fees

5. Each of the Principal and Indemnitors agree to deliver no later than June 4, 2021 updated personal net worth statement for Mr. Macario (Tobi) C. Reyes.

6. The Principal shall deliver copies to Aviva of any financial statements for Port Capital Developments Inc that it delivers to Domain or any future lender providing construction financing.

7. Each of the Principal and Indemnitors hereby acknowledges and agrees that each of the following agreements (collectively, the "**Existing Security**") remains in full force and effect and continues to be valid and binding upon and enforceable against the Principal and Indemnitors party thereto in accordance with its terms:

    a. Indemnity agreement in favour of Aviva dated October 13, 2017 executed by the Principal and the Indemnitors;
    b. $32,000,000 Form B mortgage and assignment of rents granted by the General Partner in favour of Aviva charging the lands and premises located at 1250 West Hastings Street, Vancouver, B.C. and legally described as PID: 006-721-397, Lot 18 Except that part of Canadian Pacific Railway Right of Way as described in Absolute Fee Parcels Book, Volume 9, Folio 317, No. 1154C, & Except the South 7 Feet Now Road, Block 29 District Lot 185 Plan 92;
    c. Equitable mortgage and estoppel agreement dated October 24, 2017, executed by the General Partner and the Principal in favour of Aviva;
    d. Developer agreement dated October 24, 2017 executed by the Principal and the General Partner in favour of Aviva; and
    e. Location specific security agreement dated October 24, 2017 executed by the Principal and the General Partner in favour of Aviva,

    notwithstanding the CCAA Proceedings or any steps or actions that have occurred or will occur under such proceedings.

8. Each of the Principal and Indemnitors acknowledges and agrees that:

    a. the Aviva Support is expressly limited to the Offer, as described herein, and that the foregoing support shall not obligate or be construed to require Aviva to grant any consents, modifications, or waivers of any provision of the Commitment Letter or the Existing Security. Except as explicitly set forth herein, all other terms and conditions of the Commitment Letter shall remain in full force and effect.

    b. Aviva has not waived, and does not intend to waive, any default or any right, entitlement, privilege, benefit or remedy which Aviva may have now or at any time in the future as a result of or in connection with any such default and nothing contained herein or the transactions contemplated thereby shall be deemed to constitute such waiver;

c. no waiver will be inferred from or implied by the Aviva Support, Aviva providing this letter agreement, or any failure to act or delay in acting by Aviva in respect of any default, breach or non-observance or by anything done or omitted to be done by the Principal or any Indemnitor.

d. Aviva expressly reserves its rights at any time to exercise any rights, remedies, power and privileges afforded by law or under the Commitment Letter and the Existing Security. Without limiting the foregoing, Aviva expressly reserves its rights to pursue claims against the Principal and the Indemnitors for any losses sustained and costs and expenses incurred including losses arising from claims made by presale purchasers and unpaid premiums.

9. This letter agreement may be executed in counterparts and such counterparts together shall constitute a single instrument. The parties acknowledge and agree that facsimile or PDF copies hereof or any part hereof shall be treated as originals, fully binding and with full legal force and effect, and hereby waive any rights they may have to object to said treatment.

All the above terms and conditions are strictly confidential and neither the Principal nor any Indemnitor shall disclose the contents hereof without the prior written or verbal consent of Aviva. Failure to observe this condition may result in either Aviva withdrawing or altering this consent.

If the above terms and conditions are satisfactory, kindly signify your acceptance by executing a copy of this letter and returning on or before 5:00 p.m. on June 4, 2021.

Aviva Insurance Company of Canada

DocuSigned by:
Michael Sloniowski

Name: Michael Sloniowski
Title:

Name:
Title:

I/We have the authority to bind the Corporation

Accepted this 4th day of June, ~~2019.~~ 2021

Per: Port Capital Development Inc.

Name: Tobi Reyes
Title: Director

I have the authority to bind the Corporation

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

Name: Tobi Reyes
Title: Director

I have the authority to bind the Corporation

Macario (Tobi) C. Reyes

Port Capital Development (EV) Inc.

Name: Tobi Reyes
Title: Director

I have the authority to bind the Corporation

1296371 B.C. Ltd.

Name: Tobi Reyes
Title: Director

I have the authority to bind the Corporation

IRREVOCABLE DIRECTION TO PAY

This is Exhibit " C " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 4 day of June, 2021

A Commissioner for taking Affidavits for British Columbia

TO: Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds, including the Deposit, back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender, including the undersigned, being credited with a deposit against a unit in the Terrance House Project (the "**Transaction**").

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan, ~~and (4) the consent of the undersigned to release the Deposit after undersigned's counsel has reviewed the definitive documents required to effect the Transaction~~. SA. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

NATDOCS\53982526\V-3

SA.

27

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: 1192706 B.C. Ltd.
Deposit Amount Held in Trust at Dentons: $1,155,000.00
Unit: 1001

Dated this 18th day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED REMOTELY BY VIDEO CONFERENCE AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:	)	
Witness Signature	)	1192706 B.C. LTD.
Nicholas J. Carlson	)	
Printed Name of Witness	)	Seal
900 - 885 West Georgia St., Vancouver, BC	)	Authorized Signatory
Witness Address	)	
Lawyer	)	
Witness Occupation	)	

NATDOCS\53982538\V-3

5A

28

IRREVOCABLE DIRECTION TO PAY

TO: **Dentons Canada LLP**
20th Floor, 250 Howe Street
Vancouver, British Columbia
V6C 3R8

Re: **Funds held in trust for Deposits for Terrace House Units**

Evergreen House Development Limited Partnership (the "**Old LP**") by its general partner, Port Capital Development (EV) Inc. (the "**Old GP**") pursued the development of a project located at 1250 West Pender Street, Vancouver, BC (the "**Terrace House Project**"). The undersigned has provided a deposit (the "**Deposit**") that is currently held in trust with Dentons Canada LLP ("**Dentons**") to acquire a unit in the Terrace House Project, the details of which are set out below.

CMLS Financial Ltd ("**CMLS**") was the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**CMLS Loan**") as amended. The CMLS Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the CMLS Loan was approximately $20.1 million at the commencement of the CCAA Proceedings in 2020.

On May 29, 2020, Ernst & Young Inc. ("**EY**") was appointed as the monitor of the Terrace House Project pursuant to a court order of the BC Supreme Court (the "**CCAA Proceedings**"). The court also approved a debtor in possession loan (the "**DIP Loan**") in favour of Desjardins Financial Security Life Assurance Company ("**Desjardins**" or the "**DIP Lender**"). The indebtedness on the DIP Loan is projected to be $1.5 million as at April 30, 2021.

1296371 B.C. Ltd. (the "**Junior Lender**") has been created to participate in the acquisition of the CMLS Loan and the DIP Loan. Domain Mortgage Corp. and/or Bankers Mortgage Corp. doing business as Domain Funding (Domain Mortgage Corp. and Bankers Mortgage Corp., individually or collectively are "**Domain Funding**") as the new funder (the "**Senior Lender**") has agreed to provide the sum of $16M and Domain Funding has or will establish a new entity ("**Newco**") controlled by Domain Funding to acquire the CMLS Mortgage and the DIP Loan. The Senior Lender will have the first position of repayment under the acquired CMLS Mortgage and DIP Loan and the Junior Lender will have second position of repayment under the CMLS Mortgage pursuant to an interlender or co-lender agreement as between the Senior Lender and the Junior Lender. The CMLS Loan and DIP Loan will remain as charges on the real estate related to the Terrace House Project with the expectation that the Senior Lender would be repaid once new construction financing (the "**Construction Financing**") is obtained. The Construction Financing will be used to repay the Senior Lender and may be used as part of a plan to exit CCAA on terms to be determined. On the registration of the Construction Financing on the Terrace House Project, the Junior Lender would release the funds, including the Deposit, back into the Terrace House Project to be used as equity with each of the lenders to the Junior Lender, including the undersigned, being credited with a deposit against a unit in the Terrance House Project (the "**Transaction**").

This Direction is intended to reflect the general agreement of the undersigned to the use of the Deposit on the terms herein, subject to the consents (the "**Consents**") required to obtain the release of the Deposit from the trust account of Dentons being (1) the consent of the Monitor (on behalf of the developer), (2) the consent of CMLS and agreement to sell and assign the CMLS Loan, (3) the consent of the DIP Lender and agreement to sell and assign the DIP Loan~~, and (4) the consent of the undersigned to release the Deposit after undersigned's counsel has reviewed the definitive documents required to effect the Transaction.~~ S.A. The additional conditions (the "**Conditions**") to the release of the Deposit are that CMLS, the DIP Lender and Newco finalize and sign a purchase agreement to allow Newco to acquire the CMLS Loan and the DIP Loan as well as the necessary Court approvals in the CCAA Proceedings.

S.A.

Please accept this as your irrevocable authority and direction to, once you have obtained the Consents and the Conditions have been satisfied, to transfer the Deposit to 1296371 B.C. Ltd. in order to facilitate the loan by the Junior Lender to Newco so that Newco can acquire the CMLS Loan and the DIP Loan. This irrevocable authority and direction will terminate on August 31, 2021, unless extended by the undersigned in writing.

Name of Deposit Holder: 1208596 B.C. Ltd.
Deposit Amount Held in Trust at Dentons: $417,057.00 and $558,144.00
Unit: CRU#1 and CRU#2

Dated this 18th. day of April, 2021.

THE UNDERSIGNED HAS HAD THIS IRREVOCABLE DIRECTION TO PAY WITNESSED REMOTELY BY VIDEO CONFERENCE AND COMPLETED BY A LAWYER WHO HAS PROVIDED INDEPENDENT LEGAL ADVICE TO THE UNDERSIGNED.

WITNESSED BY:

Witness Signature

Nicholas J. Carlson
Printed Name of Witness

900 - 885 West Georgia St., Vancouver, BC
Witness Address

Lawyer
Witness Occupation

1208596 B.C. LTD.

Authorized Signatory

S.A.

This is Exhibit " D " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 4 day of June, 2021

A Commissioner for taking Affidavits for British Columbia

From: Lucy A. Consunji <luzcon@daconcorp.com>
Sent: Friday, June 4, 2021 11:11:05 AM
To: Tobi Reyes <tobi@portliving.com>
Subject: Re: Amended loan

Tobi, this is to certify that 1260780 BC Ltd agrees to increase the loan to C$2.150m.
Thabk you.

Funds in			
	Domain		$14,700,000.00
	NumberCo		$2,150,000.00
	Deposits		$8,005,201.00
	Pre-Payments to Domain		$105,000.00
TOTAL			$24,960,201.00
Funds out			
	Admin Charge		$507,627.17
	DIP		$1,308,662.72
	CMLS		$21,350,358.48
	Domain Fees		
		Commitment Letter Fee	$25,000.00
		Loan Servicing Fee	$18,125.00
		Broker Fee	$290,000.00
		Fund Raising Fee	$145,000.00
	Holdbacks		
		Lender Reporting Consult (Est)	$60,000.00
		Legal Fees (Est)	$50,000.00
		Interest Reserve	$851,250.00
		Monitor Fee Reserve	$100,000.00
	Break Fees		
		Landa	$200,000.00
		Solterra	$50,000.00
TOTAL			$24,956,023.37
RESIDUAL (SHORTFALL)			$4,177.63

This is Exhibit " E " referred to in the affidavit of Macario Reyes sworn before me at Vancouver, BC this 4 day of June, 2021.

A Commissioner for taking Affidavits for British Columbia

This is the 4th affidavit
of Macario Teodoro Reyes in this case
and was made on 07/JUNE/2021

No. S-205095
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

AFFIDAVIT

I, **MACARIO TEODORO REYES**, businessman, of 325 West 4th Avenue, Vancouver, BC V5Y 1H3, SWEAR (OR AFFIRM) THAT:

1. I am a director and officer of Port Capital Group Inc. ("**Port Capital Group**"), the petitioner Port Capital Development (EV) Inc. (the "**General Partner**") and 1296371 B.C. Ltd. ("**129**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, and, as to such facts, I verily believe the same to be true.

2. I swear this affidavit to provide certain updates to matters described in my second affidavit, sworn May 21, 2021. Capitalized terms in this affidavit have the meaning given to them in my second affidavit, unless otherwise defined herein.

3. At paragraph 21 of my second affidavit, I noted that working capital for the Petitioners, after repayment of CMLS, would be provided by new investments from a mix of some existing limited partners, and some new third party investors. I expect the Petitioners will raise an additional $3 to $5 million, and I note we already have conditional commitments for $785,585 in new funding.

4. This new investment will be new equity capital, and will likely require amending the existing limited partnership structure to facilitate that investment. The amendment will likely involve the creation of a new class of limited partner units (the "**Class A Units**") within Evergreen House Limited Partnership (the "**LP**"), with preferential rights over the existing limited partnership units to facilitate that investment. However, the details of this restructuring are still being finalized. As a result, it is unlikely this investment will be in place immediately upon completion of the refinancing.

5. However, in order to ensure there is capital available immediately upon completion of the refinancing transaction, NumberCo (i.e. 1260780 B.C. Ltd.) has agreed to advance a further unsecured convertible loan to the Petitioners, in the maximum principal amount of $750,000 (the "**Convertible Loan**"). The Convertible Loan will, at NumberCo's option, convert into Class A Units following the restructuring outlined above.

6. Now shown to me and attached hereto as **Exhibit "A"** is a copy of the commitment letter, signed by NumberCo and the Petitioners, in respect of the Convertible Loan. I am informed by Robert Quon, of Dentons, and verily believe the same to be true, that Dentons holds the funds required to advance this loan in trust.

7. I understand $750,000 is sufficient to allow the Petitioners to meet the minimum required expenses that will be incurred over the six-month extension period being sought in connection with the CMLS refinancing transaction.

SWORN (OR AFFIRMED) BEFORE ME at Vancouver, BC, on 04/JUNE/2021	
A Commissioner for taking Affidavits within British Columbia	**MACARIO TEODORO REYES**

NATDOCS\568308\333\55729627\V-1

1

This is **Exhibit "A"** referred to in the
Affidavit of T. REYES sworn
this 7th day of June, 2021.

A Commissioner for taking Affidavits within
British Columbia

2

1260780 B.C. LTD.
Commitment Letter

$750,000
Unsecured Convertible Loan Facility

Borrowers:	Evergreen House Development Limited Partnership (the "**LP**"); and Port Capital Development (EV) Inc. (collectively, the "**Borrowers**").
Lender:	1260780 B.C. Ltd. (the "**Lender**").
Loan Facility:	Subject to the conditions below, the Lender hereby agrees to advance, in such amounts as may be requested by the Borrowers from time to time, to a maximum principal amount of $750,000 (the "**Loan Facility**").
Interest:	NIL
Term:	On the date of satisfaction of all condition(s) precedent set out in this letter to **December 31, 2021,** subject to any extension(s) as the Lender, in its sole discretion, may agree (the "**Term**" and the last day of the Term shall be referred to as the "**Maturity Date**").
Repayment:	Repayable at any time, at the option of the Borrowers, or upon the Maturity Date, whichever occurs first.
Conversion:	The Lender shall have the right, in its sole discretion, at any time and from time to time, on ten (10) days' written notice to the Borrowers, to elect to convert (the "**Conversion**") on the date(s) specificed in such notice(s) all or part of the unpaid principal amount outstanding from time to time into that number of limited partnership units in the LP, either existing or to be created, that will be preferential to all classes of units in the LP including, without limitation, with respect to preferential return, payment of net income of the LP, and return of capital (the "**Conversion Units**"), at the subscription price of one (1) dollar for each Conversion Unit. The Lender may assign at any time and from time to time its right to acquire the Conversion Units to any person or persons, without the consent of the Borrowers, provided the Lender has provided notice to the Borrowers and has specified in such notice the amount of Conversion Units being assigned, and the acquisition of the Conversion Units by such person or persons does not violate any applicable law or statute. Upon completion of the Conversion, the Borrowers shall be released and discharged from their obligations and liabilities under this letter with respect to the portion of the Loan Facility that is subject of Conversion. The Lender and its assignees shall be entitled to receive and to become the

	holder of record of such number of Conversion Units as determined in the preceding paragraphs, and the Conversion Units shall be fully paid and non-assessable.
Use of Proceeds:	For working capital purposes only.
Conditions Precedent:	• Completion of the refinancing transaction among Domain Mortgage Company, as lender, the Borrowers, as borrowers, and others, to facilitate repayment of all amounts owing to CMLS Financial Ltd. and the assignment of all security held therefor.
Further Assurances:	Each party to this letter agrees to execute and deliver all such further documents and materials and do such further acts and things as may be reasonably necessary from time to time to give effect to this letter.
Time of Essence:	Time shall be of the essence.
Enurement:	This letter will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
Counterparts:	This letter may be executed in counterparts and in electronic form and each of such counterpart will be deemed to be an original, and all of such counterparts, when taken together, will constitute on and the same letter.

[Signature Page Follows]

This letter shall be governed and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

1260780 B.C. LTD.

Per: ______________________________

EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP,
by its general partner, **PORT CAPITAL DEVELOPMENT (EV) INC.**

Per ______________________________

PORT CAPITAL DEVELOPMENT (EV) INC.

Per ______________________________

This is the 1st Affidavit
of Suzanne Volkow in this case
and was made on June 8, 2021

No. 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 AND COMPROMISE AND ARRANGEMENT OF
PORT CAPITAL DEVELOPMENT (EV) INC. and
EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP

AFFIDAVIT

I, Suzanne Volkow, of 2900 – 550 Burrard Street, Vancouver, British Columbia, SWEAR THAT:

1. I am a legal assistant in the law firm of Fasken Martineau DuMoulin LLP, solicitors for Centura Building Systems (2013) Ltd. and Solterra Acquisitions Corp., and as such have personal knowledge of the facts hereinafter deposed to except where stated to be on information and belief, in which case I verily believe them to be true.

2. Attached hereto as **Exhibit "A"** is a copy of a Claim of Lien registered on behalf of Centura Building Systems (2013) Ltd. against lands legally described as:

> PID: 006-721-397
> Lot 18, except that part of the Canadian Pacific Railway
> Right-of-Way as described in absolute fee parcels book, volume 9,
> Folio 317, No. 1154C, and except the south 7 feet now road,
> Block 29 District Lot 185 Plan 92

SWORN BEFORE ME at Vancouver, British Columbia, on June 8, 2021.	))))))	
A Commissioner for taking Affidavits for British Columbia	))	SUZANNE VOLKOW

KIBBEN JACKSON
Barrister & Solicitor
Fasken Martineau DuMoulin LLP
2900 - 550 Burrard Street
Vancouver, BC V6C 0A3
604 631 4786

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

CA8198230

CLAIM OF LIEN Province of British Columbia

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act,* RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Christopher James Moore 8FUUN8 | Digitally signed by Christopher James Moore 8FUUN8 Date: 2020.05.20 12:51:28 -07'00'

APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

McLean & Armstrong LLP
300 - 1497 Marine Drive
West Vancouver BC V7T 1B8
Tel: 604-925-0672
File No: 3367-11
Document Fees: $0.00

I, Chris Moore of McLean & Armstrong LLP
300 - 1497 Marine Drive, West Vancouver, BC, V7T 1B8, agent of the lien claimant state that:

1. CENTURA BUILDING SYSTEMS (2013) LTD. Incorporation No BC0959038

of 460 Fraser View Place, Delta, BC V3M 6H4
claims a lien against the following land:
[PID] [legal description]

SEE SCHEDULE

STC? YES ☐

This is Exhibit A referred to in the affidavit of Suzanne Volkow made before me on this 8th day of June 2021

A Commissioner for taking Affidavits for British Columbia

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Supplying precast panels, planters, super panels and engineering

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

PORT CAPITAL DEVELOPMENT (EV) INC. (BC1005887)

4. The sum of $ 473,277.00 is or will become due and owing to CENTURA BUILDING SYSTEMS (2013) LTD. (BC0959038) on May 20, 2020

5. The lien claimant's address for service is:

c/o McLean & Armstrong LLP
300 - 1497 Marine Drive, West Vancouver, BC, V7T 1B8

Signed: ____________________

Date:

Note: Section 45 of the Builders Lien Act provides as follows:

45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.

(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of $2,000 and the amount by which the stated claim exceeds the actual claim.

ADDITIONAL PARCEL INFORMATION

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [LEGAL DESCRIPTION]

006-721-397 **LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92**

STC? YES ☐

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [LEGAL DESCRIPTION]

STC? YES ☐

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [LEGAL DESCRIPTION]

STC? YES ☐

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

FIFTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

APRIL 13, 2021

TABLE OF CONTENTS
TO THE
FIFTH REPORT OF THE MONITOR

LISTING OF APPENDICES
TO THE
FIFTH REPORT OF THE MONITOR

INTRODUCTION

1. Port Capital Development (EV) Inc. (the "**General Partner**") and Evergreen House Development Limited Partnership ("**Evergreen LP**"), (each a "**Petitioner**", and collectively, the "**Petitioners**") own a real estate development project called the "**Terrace House Project**".

2. The General Partner is the Bare Trustee that holds title to the real property owned by the Petitioners (the "**Lands**") with a legal description as follows:

   PID: 006-721-397; LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92

3. The Petitioners are subsidiaries of the "**Port Capital Group**", which is in the business of real estate development and management primarily in British Columbia, but also Toronto, Ontario.

4. On May 29, 2020, this Honourable Court pronounced an Order (the "**Initial Order**") which, *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 "**Stay Period**"); and

   c) granted the Monitor "**Enhanced Powers**" to execute control over the Petitioners and to explore restructuring opportunities for the Terrace House Project 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.

5. On June 8, 2020, this Honourable Court granted an order amending the Initial Order (the "**Amended and Restated Initial Order**" or "**ARIO**") that among other things approved the DIP Commitment Letter and the DIP Lender's Charge (both as defined in the First Report).

6. This Honourable Court has granted the following "Charges" that rank in the following order:

   a) an Administration Charge in the amount of $250,000 in favor of legal counsel for the Petitioners, the Monitor, and independent counsel to the Monitor, as security for professional fees and disbursements incurred both before and after the making of the Initial Order in respect of the within proceedings; and

   b) the DIP Lender's Charge in the amount of $1,500,000.

7. The Stay Period has been extended from time-to-time and the current Stay Period expires on May 4, 2021.

8. The Monitor has previously filed five reports in these CCAA proceedings: the "**Proposed Monitor's Report**", the "**First Report**", the "**Second Report**", the "**Third Report**", and the "**Fourth Report**". These reports are posted on the Monitor's website at www.ey.com/ca/terracehouse.

9. The purpose of this "**Fifth Report**" is to provide information to this Honourable Court with respect to the following:

   a) an update on the SISP;

   b) the Landa PSA (as defined herein);

   c) an updated cash flow forecast for the Petitioners;

   d) the request for an extension to the Stay Period to June 11, 2021; and

   e) the Monitor's conclusions and recommendation.

CONDENSED BACKGROUND INFORMATION

10. The background of the Terrace House Project and the causes of insolvency for the Petitioners is detailed in the previous reports the Monitor has prepared for this Honourable Court and are not repeated herein.

11. CMLS Financial Ltd ("**CMLS**" or the "**Construction Lender**") is the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**Construction Loan**"). The Construction Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the Construction Loan was approximately $20.1 million at the start of the within proceedings.

12. Desjardins Financial Security Life Assurance Company (the "**DIP Lender**") has provided the Petitioners access to a debtor-in-possession financing facility (the "**DIP Facility**"). As of the date of this report, the Petitioners have drawn $1.25 million on the approved DIP Facility of $1.5 million.

13. Aviva Insurance Company of Canada ("**Aviva**" and together with CMLS, the "**Secured Creditors**") provided a deposit protection insurance facility to permit the Petitioners to have access to the pre-sale purchasers' deposit monies for the payment of project costs. Management estimated that approximately $14.7 million would be owing pursuant to Aviva's insurance deposit facility contingent upon the return of deposits to the pre-sale purchasers.

14. Additionally, Management estimates that there are approximately $4.0 million in lien claimants and $2.3 million in unsecured creditors. The unsecured indebtedness and lien claimants of the Petitioners primarily consist of amounts owing on account of trade debt, property taxes and unpaid professional firms and consultants fees.

TERMS OF REFERENCE

15. In preparing this Fifth Report and making the comments herein, the Monitor has been provided with and 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 Fifth 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 Fifth 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.

16. Future oriented financial information referred to in this Fifth Report was prepared based on Management's and the Monitor'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.

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

18. All capitalized terms used herein that are undefined have the meanings ascribed thereto in the Proposed Monitor's Report, the First Report, the Second Report, the Third Report, the Fourth Report and the Amended and Restated Initial Order.

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

UPDATE ON THE SALE INVESTMENT AND SOLICITATION PROCESS

20. Paragraphs 19 – 28 of the Third Report dated November 27, 2020 provide extensive detail on the Monitor's administration of the two (2) phased SISP approved by this Honourable Court. In summary, the Monitor:

   a) solicited the Terrace House Project to approximately 670 potential bidders, including local, national and international strategic and financial parties and real estate developers;

   b) retained CBRE Limited in a limited capacity to market the Terrace House Project to its investor network in Asia as well as a newspaper advertisement that was published in a Hong Kong newspaper, the South China Morning Post;

   c) populated an electronic data room (the "**Data Room**") with key financial, corporate, operational and other information including construction drawings, consultant reports and other business documents relevant to the Terrace House Project for Prospective Parties to evaluate following the signing of a CA; and

d) short-listed six (6) “**Qualified Offerors**” to participate in Phase II of the SISP and provided those parties a period of approximately six (6) weeks to acquire or refinance the Terrace House Project (those parties which submitted the offers, the “**Qualified Offerors**”).

21. The Monitor received six (6) Phase II Offers from the Qualified Offerors (the “**Phase II Bids**”) and filed copies of these offers under seal in a Confidential Supplement to the November 27, 2020 Third Report.

22. Following consultation with the Secured Creditors, the Monitor executed a “**Bid Offer Agreement**” on behalf of the Petitioners with Bosa Properties (OC) Inc. (the “**Bid Offeror**”). The execution of the Bid Offer Agreement was approved by this Honourable Court on December 1, 2020.

23. The Bid Offer Agreement provided the Bid Offeror to February 16, 2021 (the “**Due Diligence Period**”) to complete a satisfactory feasibility study and due diligence analysis (the “**Feasibility Study**”) relating to the economics of the Terrace House Project, and to obtain construction financing.

24. The Fourth Report describes that on February 16, 2021, the Bid Offeror provided the Monitor with a feasibility study (the "**Confidential Feasibility Study**") on the Terrace House Project and put forward a proposal that varied from the Bid Offer that was not acceptable to CMLS; and accordingly, the Monitor in consultation with CMLS did not advance Bid Offer to a definitive agreement.

THE LANDA PSA

Summary

25. Landa Global Acquisition Inc. ("**Landa**") was one of the six (6) parties that submitted a bid (the "**Landa SISP Bid**") in Phase II of the SISP. The Landa SISP Bid contained the fewest conditions and required the least amount of due diligence of the Phase II Bids.

26. When it became known that the Bid Offer Agreement with the Bid Offeror failed to materialize into a definitive agreement, Landa advised the Monitor of, a) their continued interest in an acquisition of the Terrace House Project, and b) their ability to formalize and submit an unconditional offer in the near term.

27. On March 1, 2021, Landa sent the Monitor a letter of intent (the "**Revised Landa Offer**") to acquire the Terrace House Project. The Monitor reviewed the Revised Landa Offer with CMLS; and following a series of discussions, the Monitor (on behalf of the Petitioners and subject to Court approval) and Landa executed a purchase and sale agreement (the "**Landa PSA**") dated March 25, 2021, the key terms of which include the following:

a) a Purchase Price that is payable in cash;

b) a break-fee equal to approximately 1% of the Purchase Price payable from the proceeds of a Superior Offer (as defined in the Landa PSA and discussed below);

c) financing conditions that have since been satisfied or waived and no due diligence conditions;

d) notwithstanding the execution of the Landa PSA, the Petitioners and Monitor may engage in further marketing of, or negotiations in connection with, the Terrace Project (the "**Final Marketing Phase**") as described below to solicit superior cash bids akin to a final sealed bid process; and

e) the Petitioners shall seek:

i. a Reverse Vesting Order ("**RVO**") from this Honourable Court to allow the Purchaser to acquire the General Partner and the Purchased Assets free and clear of all Encumbrances except certain limited Permitted Encumbrances; or

ii. should this Honourable Court not grant the RVO, an Approval and Vesting Order ("**AVO**") to acquire the assets of the Petitioners free and clear of all Encumbrances except certain limited Permitted Encumbrances; and

iii. should this Honourable Court refuse to grant the RVO, the Purchase Price shall be adjusted on a dollar-for-dollar basis by the property transfer tax (the "**PTT**") that will be payable should a transfer of title to the Lands occur; and accordingly the Monitor is of the view that the sale of the General Partner pursuant to a RVO will result in a materially higher recovery to creditors.

28. The Landa PSA requires confidentiality with respect to the Purchase Price; and as such a copy of the Landa PSA which redacts information relating to the Purchase Price (and such other information that could be used to perform a reverse calculation of the Purchase Price) is attached hereto as **Appendix "A"**. An unredacted copy of the Landa PSA together with a calculation of the PTT that may be payable in the event of a transfer of title will be provided to this Court as an attachment to a confidential supplement to this Fifth Report (the "**Confidential Supplement**"). A sealing order will be sought in connection with the Confidential Supplement in order to maintain the confidentiality respecting the terms of the Landa PSA in order to maintain the integrity of the Cash Bid Process.

29. The Monitor on behalf of the Petitioners seeks an Order of this Honourable Court approving the Landa PSA (the "**Preliminary Order**"). The Petitioners intend to seek a "**Vesting Order**" in relation to the Landa PSA (if no superior offers are received) or another party (if a superior offer is received that contemplates a sale transaction), when the Final Marketing Phase concludes. For clarity, the Petitioners do not currently seek the approval of the RVO described below in relation to the Landa PSA (or the AVO as an alternative).

The Final Marketing Phase

30. The Final Marketing Phase has been designed in recognition of the following criteria:

a) these CCAA proceedings commenced on May 29, 2020;

b) the SISP, as approved by the Court, commenced in June 2020;

c) the Monitor has already administered a robust SISP over a period of approximately nine (9) months;

d) the Monitor has previously provided the six (6) Qualified Offerors an opportunity (at their own expense) to review the documents in the Data Room, to access the site and management to perform site visits and ask questions with respect to the project, and to submit their best offers in the SISP;

e) none of the offers received to date are sufficient to re-pay the Secured Creditors in full after the full amount of the approved DIP Facility of $1.5 million is repaid;

f) Each of the Qualified Offerors, and any other party, has had sufficient time and opportunity to review the project in order to submit a cash offer (similar to Landa); and

g) the PSA is supported by the Construction Lenders.

31. The table below provides a timeline for the key milestones contemplated in the Landa PSA:

Estimated Date	Milestone
April 16, 2021	Obtain Preliminary Order
April 16, 2021	Commencement of the Final Marketing Phase
April 20, 2021	Payment of second deposit by Landa (first deposit already paid)
May 7, 2021 (being 15 business days following commencement of the Final Marketing Phase)	End of the Final Marketing Phase
May 28, 2021 (being 15 business days after the Final Marketing Phase)	Conditions removal deadline if Superior Offers are received by May 7, 2021 **or** Granting of the Vesting Order in relation to Landa PSA if no Superior Offers are received

32. Of note, the Landa PSA is structured such that any other prospective bidders have 15 business days from the date of the Preliminary Order to submit a superior cash offer. Such offers may have conditions attached to them, but such conditions must be capable of being satisfied or waived within a further 15 business days from the date such offer is accepted. While a competing bid may have such conditions, the conditionality of any bids received will be a consideration as to whether any such bids are in fact Superior Offers to that of the Landa bid as set out in the Landa PSA.

The Break Fee

33. Break fees are commonly included in restructuring transactions. The Monitor has reviewed recent and similar break fee precedents and considers the break fee associated with the Landa PSA (of approximately 1% of the Purchase Price) to be reasonable and on the low end of similarly risked precedent transactions.

34. A break fee serves several purposes including incentivizing interested parties to incur time and cost (including opportunity costs as well as cash costs including legal and other due diligence costs) to commit to a transaction. While break fees are commonly associated with stalking horse bids, that is not always the case. In this particular instance, the process resulting in the Landa PSA: (a) materially enhances certainty of outcome, (b) allows for the Final Marketing Process that requires other interested parties to submit best and final cash offers, and (c) establishes a fully negotiated form of purchase agreement that other parties can utilize to submit offers of an efficient and cost effective basis.

35. The Monitor also notes that the Landa PSA is the best viable option at this time, the terms of the Landa PSA were the result of arms' length negotiations, the Break Fee is supported by CMLS, there is no expense reimbursement payable to Landa, and the Break Fee will only be payable out of the proceeds of a superior transaction thus generating an increased recovery for creditors.

FIFTH CASH FLOW FORECAST

36. The Monitor, on behalf of the Petitioners, has prepared a weekly cash flow projection (the "**Fifth Report Forecast**") for the period of April 3, 2021 to June 11, 2021 (the "**Fifth Report Cash Flow Period**").

37. A copy of the Fifth Report Forecast along with its notes and assumptions are attached hereto as **Appendix "B"** and is summarized and compared to actual expenses incurred below:

	Forecast	Actual	Variance	Forecast
	February 20, 2021 to April 2, 2021			April 3 to June 11
Beginning Cash	**924**	**924**	**-**	**27,219**
Receipts	**209,139**	**-**	**(209,139)**	**252,474**
Disbursements	**(472,094)**	**(223,705)**	**248,389**	**(515,804)**
Insurance	(76,470)	(76,470)	-	(76,470)
Site preservation	(19,144)	(12,215)	6,929	(29,749)
Glass storage	(13,098)	(6,549)	6,549	(19,647)
Consultants – city requirements	(3,735)	(1,534)	2,201	(5,956)
Crane lease	(16,170)	(8,085)	8,085	(24,255)
Permit costs	(2,088)	-	2,088	(1,476)
General, admin & misc	(27,521)	(33,238)	(5,717)	(49,805)
Contingency	(63,000)	-	63,000	(67,500)
Restructuring costs	(189,157)	(57,998)	131,159	(199,448)
DIP interest & fee payment	(61,711)	(27,616)	34,095	(41,500)
Total Cash before DIP Financing	**(262,031)**	**(222,781)**	**39,250**	**(236,113)**
DIP Financing Draw	411,710	250,000	(161,710)	248,500
Ending Cash after DIP Financing	**149,679**	**27,219**	**(122,460)**	**12,387**

38. Broadly speaking, the positive variance in disbursements noted above is attributable to timing differences and spending restraint.

39. Cash receipts contemplated in the Fifth Report Forecast are comprised of the following:

    a) an estimated refund of $34,139 for GST paid on disbursements incurred during these CCAA proceedings; and

    b) an estimated refund of $218,335 for a deposit held by BC Hydro for design fees associated with a proposed electrical system for the Terrace House Project.

40. Restructuring costs contemplated in the Fifth Report Forecast include the payment of professional fees of the Monitor, the Monitor's legal counsel, and the Petitioner's legal counsel some of which relate to services already rendered.

41. The Fifth Report Forecast contemplates payments of $76,470 for insurance premiums for an extension of the policies through to June 30, 2021.

42. The Fifth Report Forecast does not contemplate any cash outlay for construction costs, other than those required for site preservation.

SEALING ORDER

43. As referenced above, the unredacted Landa PSA shall be provided to this Honourable Court through the Confidential Supplement, for which a sealing order will be sought.

44. The Monitor requests that the Confidential Supplement be accepted by this Honourable Court for filing under seal, as the information contained herein is commercially sensitive in that it contains the purchase price of the contemplated transaction.

45. The Monitor is of the view that public disclosure of the materials contained in the Confidential Supplement would be detrimental to the integrity of the Cash Bid Process, and detrimental to the Petitioner's commercial interests and the ability to maximize value for the Petitioner's stakeholders through the Cash Bid Process.

REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

46. The Stay Period is currently set to expire on May 4, 2021. The Monitor on behalf of the Petitioners is requesting an extension of the Stay Period until June 11, 2021, being the approximate anticipated timeframe for the completion of the Landa SPA, or should a Superior Offer be derived, the anticipated timeframe to present such offer to this Honourable Court for consideration and/or approval.

47. The Monitor has considered the onus that resides with the Petitioners to demonstrate that an extension of the Stay of Proceedings by this Honourable Court is warranted, having regard to:

a) the circumstances that justify the making of an extension order;

b) the good faith efforts of the Petitioners to effect the restructuring; and

c) the due diligence with which the Petitioners are advancing the restructuring.

Circumstances that justify the extension sought

48. In the Monitor's view, the extension of the Stay of Proceedings is necessary in order to:

a) administer the above noted Cash Bid Process;

b) to seek the close of the Landa Transaction, or should the Cash Bid Process result in a Superior Offer, to bring forward the Superior Offer to this Honourable Court for approval; and

c) maintain operational control and preserve the Terrace House Project.

49. Moreover, as is depicted in the Fifth Report Cash Flow Forecast, the Monitor projects that the Petitioners will have sufficient liquidity and cash on hand to fund their ongoing obligations through to June 11, 2021.

Good Faith Efforts and Due Diligence

50. The Monitor on behalf of the Petitioners has working in good faith and with due diligence on a plan to identify, if possible, a buyer or investor for the Terrace House Project.

51. The Petitioners have complied with all of the requirements under the CCAA, as well as the various orders granted by this Honourable Court in this proceeding.

52. For the foregoing reasons, the Monitor supports the Petitioners' request for an order extending the Stay Period to June 11, 2021.

CONCLUSIONS AND RECOMMENDATIONS

53. Based on the foregoing, the Monitor recommends that this Honourable Court grant Order(s) approving the following:

a) extending the Stay Period from May 4, 2021 to June 11, 2021;

b) approving the Landa PSA; and

c) approving a sealing order with respect to the Landa PSA.

All of which is respectfully submitted this 13th day of April, 2021.

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

Execution Version

PURCHASE AND SALE AGREEMENT
(TERRACE HOUSE, VANCOUVER, BC)

THIS AGREEMENT is dated for reference March 25, 2021 and is made

AMONG:

PORT CAPITAL DEVELOPMENT (EV) INC., a British Columbia corporation formed under the *Business Corporations Act* (British Columbia)

(the "**GP**")

AND:

EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP, a British Columbia limited partnership formed under the *Partnership Act* (British Columbia)

(the "**Limited Partnership**" and, together with the GP, the "**Vendor**")

AND:

LANDA GLOBAL ACQUISITIONS LTD., a British Columbia company formed under the *Business Corporations Act* (British Columbia)

(the "**Purchaser**")

BACKGROUND:

A. The Vendor is the legal and beneficial owner of the lands and premises legally described in Part 1 of Schedule A (the "**Lands**").

B. The Vendor obtained an initial order of the Supreme Court of British Columbia dated May 29, 2020 under the *Companies' Creditors Arrangement Act*, which among other things, commenced the CCAA Proceedings and granted an initial stay of proceedings in respect of the Vendor.

C. The Purchaser submitted to the Monitor a non-binding letter of intent dated March 1, 2021, which was amended by way of email correspondence sent by the Purchaser on March 4, 2021 (collectively, the "**LOI**"), that contemplated that the parties would commence negotiations of this Agreement on the terms set out in such LOI.

D. The Vendor has agreed to sell and the Purchaser has agreed to purchase all of the Vendor's right, title, and interest in and to the Purchased Assets (as defined in this Agreement) on the terms and conditions set out in this Agreement.

FOR CONSIDERATION, the receipt and sufficiency of which is acknowledged by each of the parties, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions. In this Agreement:

(a) “**Approved Contracts**” means those Contracts entered into by the Vendor and any third party consultants in connection with the Project along with any other material Contracts which the Purchaser has approved by way of notice in writing to the Vendor on or before the Condition Date.

(b) “**Approval and Vesting Order**” has the meaning given to it in Section 8.4(b)(ii).

(c) “**Authorized Parties**” has the meaning given to it in Section 11.17.

(d) “**Balance**” has the meaning given to it in Section 2.2(c).

(e) “**Bona Fide Offer**” means a binding offer to purchase all or part of the Purchased Assets from a Prospective Purchaser, which offer contains no conditions that are not capable of being satisfied or waived by the parties within fifteen (15) Business Days or less of the date on which such offer is accepted by both parties thereto, and which offer does not include any non-monetary consideration from the Prospective Purchaser for such Purchased Assets.

(f) “**Break Fee**” means [redacted] inclusive of any applicable taxes.

(g) “**Buildings**” means all buildings and improvements located on the Lands.

(h) “**Business Day**” means any day that is not a Saturday, Sunday, Boxing Day, Easter Monday or statutory holiday in British Columbia.

(i) “**Buyer**” means a purchaser of one or more condominium units at the Property pursuant to Pre-Sale Contracts.

(j) “**Buyer List**” means a list of all Buyers specifying the name of each Buyer (or if applicable any assignee or sublessee) as stated in the applicable Pre-Sale Contract, such Buyer’s address and the amount of any deposits held by or on behalf of the Vendor in accordance such Pre-Sale Contract.

(k) “**CCAA Proceedings**” means the legal proceedings in the Court under the *Companies’ Creditors Arrangement Act*, Vancouver Registry No. S-205095.

(l) “**Chattels**” means all of the personal property owned by the Vendor and used in connection with Project including without limitation, all fixtures, leasehold improvements, glass, personal property, plant, and equipment, inventory including spare parts, furniture whether moveable or built-in, computer hardware, kitchen equipment, tools and supplies, whether the same is located on the Lands or otherwise.

(m) “**Closing Date**” means the date that is the later of (i) the date that is 30 days after the granting of the Final Order; and (ii) the date that all applicable appeal periods in connection with the Final Order have expired.

(n) “**Closing Documents**” has the meaning given to it in Section 9.4.

(o) “**Condition Date**” means the date on which the conditions precedent set out in Section 8.1(a) are satisfied or waived.

(p) "**Construction Commitment**" has the meaning given to it in Section 3.2(a)(ii).

(q) "**Consultant Reports**" means all consultant reports and studies that were commissioned by the Vendor in connection with the Project.

(r) "**Contracts**" means all contracts or agreements, other than Title Contracts and Pre-Sale Contracts, relating to the use or operation of the Property or any part thereof or the design, development and construction of the Project, including, without limitation, the consulting agreements in connection with the Property or any part thereof made by or on behalf of the Vendor relating to the Property.

(s) "**Court**" means the Supreme Court of British Columbia.

(t) "**Creditors**" means creditors of the Vendor.

(u) "**Delay Notice**" has the meaning given to it in Section 11.13.

(v) "**Deposit**" means the deposits referred to in Sections 2.2(a) and 2.2(b).

(w) "**Encumbrance**" means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, pledge, debenture, trust deed, assignment by way of security, security interest, conditional sales contract or similar interest or instrument charging, or creating a security interest in, the Purchased Assets or any part thereof or interest therein, and any agreement, lease, licence, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to or the ownership of the Purchased Assets or any part thereof or interest therein.

(x) "**ETA**" has the meaning given to it in Section 10.1.

(y) "**Execution Date**" means the date of this Agreement.

(z) "**Excluded Assets**" means: (i) all shares of capital stock or other equity interest in securities in any entity other than the Shares; (ii) any partnership interest in the Limited Partnership; (iii) Contracts which are not Approved Contracts; (iv) all Liability of the Vendor arising prior to the Closing Date including, but not limited to, Liability owed to lenders, service contractors or third parties of any kind including all Liability under the Approved Contracts or Plans, Permits and Approvals; (v) any Liability relating to or arising out of the Excluded Assets including, without limitation, Liability for terminating, not complying with or a defaulting under any Contract; (vi) any Liability of the Vendor for taxes resulting from the Vendor's sale of the Purchased Assets; (vii) all employees, employment agreements, executive personnel agreements, officer or director agreements, union contracts, collective agreements, employee wages, employee benefit plans or payments, pension obligations, employee tax withholding obligations, employee health or dental plan obligations, all grievances, arbitrations, employee complaints or claims, labour relations board actions or other employee proceedings and similar obligations of the Vendor; (viii) all Liability for payment of fees for operations of the Purchased

Assets up to the Closing Date; (ix) any proceedings, claims or actions commenced in any court initiated against the Vendor or threatened against the Vendor; (x) the costs and expenses and Liability of the Vendor under the CCAA Proceedings; (xi) any Liability for a breach or non-compliance with any applicable law; (xii) the Liability of the Vendor under this Agreement and any other assets, property or obligations which pursuant to the terms and conditions of this Agreement, remain the property of the Vendor after the completion of the transactions contemplated herein including, without limitation, the rights of the Vendor under this Agreement; (xiii) any proceedings, claims or causes of action for the benefit of the Vendor; (xiv) all cash of the Vendor; (xv) Receivables; and (xvi) all Pre-Sale Contracts including, for greater certainty, all deposits provided pursuant to the Pre-Sale Contracts and all claims, causes of action or rights in relation to such deposits.

(aa) "**Excusable Delay**" means any delay in the performance or observance by the Vendor or Purchaser of any obligation or act of the Vendor or Purchaser, as applicable, hereunder which occurs as a consequence of or is attributable to any circumstance which is not caused by any default or act of commission or omission of that party and which is beyond the reasonable control of that party, including without limiting the generality of the foregoing, strikes or labour or industrial disturbances (including lock-outs), civil disturbances, acts, orders, legislation, regulations, good faith compliance with an order, directive, guideline or other recommendation of any governmental or other public authorities (including, without limitation, health authorities or occupational safety authorities), acts of public enemies, war, riots, sabotage, blockades, embargoes, shortages of materials and suppliers, shortages of labour, lightning, earthquakes, fire, storms, pandemics, epidemics, quarantines and health emergencies, hurricanes, floods, wash-outs, explosions and acts of God, but excluding, for clarity, the financial circumstances of the Purchaser.

(bb) "**Final Offer Date**" means the date that is fifteen (15) Business Days after the issuance of the Preliminary Order.

(cc) "**Final Order**" has the meaning given to it in Section 8.4(b).

(dd) "**Governmental Authority**" means (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise), (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government, (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions, and (iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

(ee) "**GST**" has the meaning given to it in Section 10.1.

(ff) "**GST Certificate**" has the meaning given to it in Section 10.1.

(gg) “**Intellectual Property**” means all intellectual property and proprietary rights of any kind in connection with the Project, including the “Terrace House” name, architectural design and instruments of service and all rights to the branding, logo and design in connection with the same.

(hh) “**Interim Period**” means the period commencing on the Execution Date until and including the Closing Date.

(ii) “**Land Title Office**” means the Land Title and Survey Authority of British Columbia, land title office applicable to the Lands.

(jj) “**Lands**” has the meaning given to it in Recital A.

(kk) “**Liability**” means any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed.

(ll) “**LOI**” has the meaning given to it in Recital C.

(mm) “**LP Agreement**” means the limited partnership agreement of Evergreen House Development Limited Partnership made as of June 30, 2014 and restated as of March 13, 2015 between those persons who from time to time execute the agreement and become a limited partner, as limited partners, and the GP, as general partner, as further amended and restated, modified or supplemented from time to time.

(nn) “**Material Loss**” means the loss or damage to or destruction of the Property or any part of it to such an extent that the replacement or repair of it cannot be substantially completed: (i) at a cost of less than $1,000,000.00; or (ii) within six (6) months of the occurrence.

(oo) “**Monitor**” means Ernst & Young Inc., in its capacity as monitor of the CCAA Proceedings or such other monitor or monitors as are appointed by the Court from time to time in connection with the CCAA Proceedings.

(pp) “**Order**” means an order of the Court.

(qq) “**Permitted Encumbrances**” means the Encumbrances set out in Part 2 of Schedule A.

(rr) “**Plans, Permits and Approvals**” means: (i) all plans and specifications pertaining to the construction of the Project, including, without limitation, all structural, architectural, mechanical, electrical, landscape and interior design and specifications for the Project; and (ii) all planning approvals, permits, licences, development agreements, crane swing, underpinning and airspace agreements with respect to the Project.

(ss) “**Preliminary Order**” has the meaning given to it in Section 8.4(a).

(tt) "**Pre-Sale Contracts**" means each of those agreements between the Vendor and a Buyer in respect of the purchase and sale of one or more condominium units at the Property. For greater certainty, a Pre-Sale Contract is not a Contract.

(uu) "**Project**" means the construction and development of the Building on the Lands.

(vv) "**Property**" means the Lands and the Buildings.

(ww) "**Prospective Purchaser**" has the meaning given to it in Section 8.7.

(xx) "**Purchase Price**" means subject to Section 5.4, [redacted], exclusive of any applicable taxes.

(yy) "**Purchased Assets**" means:

(i) in the event that a Reverse Vesting Order is granted by the Court:

(A) the Shares; and

(B) all of the Limited Partnership's right, title and interest, in and to the following assets and properties:

(I) the Property;

(II) the Chattels;

(III) the Approved Contracts;

(IV) the Title Contracts;

(V) the Plans, Permits and Approvals;

(VI) the Warranties;

(VII) subject to such transfer being approved by the necessary parties in accordance with Section 3.1(c)(i), the Intellectual Property;

(VIII) all insurance and new home warranties obtained in connection with the Project; and

(IX) all marketing materials prepared in connection with the Project,

excluding, for certainty, the Excluded Assets; or

(ii) in the event that an Approval and Vesting Order is granted by the Court:

(A) all of the Vendor's right, title and interest, in and to the following assets and properties:

(I) the Property;

(II) the Chattels;

(III) the Approved Contracts;

(IV) the Title Contracts;

(V) the Plans, Permits and Approvals;

(VI) the Warranties;

(VII) subject to such transfer being approved by the necessary parties in accordance with Section 3.1(c)(i), the Intellectual Property;

(VIII) all insurance and new home warranties obtained in connection with the Project; and

(IX) all marketing materials prepared in connection with the Project,

excluding, for certainty, the Excluded Assets.

(zz) "**Purchaser's Solicitors**" means Lawson Lundell LLP or such other firm or firms of solicitors or agents as are retained by the Purchaser from time to time and written notice of which is provided to the Vendor.

(aaa) "**Receivables**" means the Vendor's interest in all receivables including, without limitation, receivables relating to amounts owed by a Buyer in connection with a Pre-Sale Contract, any grants, subsidies (including the Canada Emergency Wage Subsidy), tax relief or gifts or any other receivable.

(bbb) "**Required Financing**" has the meaning given to it in Section 3.2(a)(i).

(ccc) "**Reverse Vesting Order**" has the meaning given to it in Section 8.4(b)(i).

(ddd) "**Shares**" means all of the issued and outstanding shares in the capital of the GP.

(eee) "**ShellCo**" means that entity, appointed by the Vendor in connection with a Reverse Vesting Order, to which all Excluded Assets will be transferred by the Vendor in connection with the closing of the transactions contemplated herein and that will replace the GP in its role as general partner of the Limited Partnership. ShellCo will be a subsidiary of GP, brought into the CCAA Proceedings and subsequently assigned into bankruptcy.

(fff) "**Specified Date**" has the meaning given to it in Section 11.13.

(ggg) "**Superior Offer**" has the meaning given to it in Section 8.7.

(hhh) "**Title Contracts**" means, collectively, those agreements and instruments affecting the Property or any part thereof, including without limitation, the Permitted Encumbrances and any municipal site plan and development agreements, crane swing, underpinning and airspace agreements, common use agreements and easement agreements, concession or other agreements with any governmental authority or other public authorities having jurisdiction, and any new agreements of similar nature respecting the Property or any part thereof (other than the Contracts or Approved Contracts). For greater certainty, a Title Contract is not a Contract.

(iii) "**Vendor's Solicitors**" means Bennett Jones LLP or such other firm or firms of solicitors or agents as are retained by the Vendor from time to time and written notice of which is provided to the Purchaser.

(jjj) "**Warranties**" means all subsisting warranties and guarantees in connection with the Project or any part thereof that are assignable without consent and in effect on the Closing Date.

ARTICLE 2 – PURCHASE AND SALE

2.1 Agreement of Purchase and Sale. Subject to the terms and conditions of this Agreement, the Vendor agrees to sell and the Purchaser agrees to purchase the Purchased Assets for the Purchase Price on the Closing Date free and clear of all Encumbrances, except for the Permitted Encumbrances.

2.2 Payment of Purchase Price. The Purchase Price for the Purchased Assets will be paid by the Purchaser as follows:

(a) by a first deposit of [redacted] paid to the Vendor's Solicitors by wire transfer within two (2) Business Days after the Execution Date;

(b) by a second deposit of [redacted] paid to the Vendor's Solicitors by wire transfer within two (2) Business Days after the granting of the Preliminary Order; and

(c) by payment of the balance (the "**Balance**") of the Purchase Price, as adjusted in accordance with Article 5, on the Closing Date as provided in Article 9.

2.3 Deposit. The Vendor shall cause the Vendor's Solicitors to: (i) deposit the Deposit in an interest bearing trust account promptly following receipt of the Deposit; and (ii) pay the Deposit and any interest that may accrue on it only as set out in this Agreement or as directed in writing by the Vendor and the Purchaser or as directed by a court of competent jurisdiction. The Vendor shall cause the Vendor's Solicitors to pay the Deposit to:

(a) the Vendor without interest (less the $10.00 paid by the Vendor to the Purchaser pursuant to Section 8.8):

(i) on account of the Purchase Price on the Closing Date as set out in Article 9; or

(ii) as liquidated damages upon the default of the Purchaser if the Purchaser is in default of its obligation to complete the transactions contemplated by this Agreement, unless such default is waived in writing by the Vendor and which payment shall be in full satisfaction of all claims the Vendor may have by reason of such default;

(b) the Purchaser with interest (less the $10.00 paid by the Purchaser to the Vendor pursuant to Section 8.3):

(i) if the Purchaser is not required to complete the transaction contemplated by this Agreement, promptly following the date on which the Purchaser becomes entitled not to complete the transactions contemplated by this Agreement;

(ii) upon the default of the Vendor without prejudice to any other right or remedy of the Purchaser, if the Vendor is in default of its obligation to complete the transactions contemplated by this Agreement, unless such default is waived in writing by the Purchaser and provided that the maximum aggregate liability of the Vendor in connection with such a default is limited and shall not exceed an amount equal to the Deposit; or

(iii) if any or all of the conditions set out in Sections 8.1, 8.4 and 8.6(a) have not been satisfied or waived.

2.4 Allocation of Purchase Price. The parties agree that:

(a) in the event that a Reverse Vesting Order is granted, the Purchase Price shall be allocated among the Purchased Assets as follows: (i) [redacted] to the Shares; (ii) [redacted] to the Lands and Buildings; and (iii) [redacted] to the remaining Purchased Assets; and

(b) in the event that an Approval and Vesting Order is granted, the Purchase Price shall be allocated among the Purchased Assets as follows: (i) [redacted] to the Lands and Buildings; and (ii) [redacted] to all other Purchased Assets.

ARTICLE 3 – GENERAL COVENANTS

3.1 Covenants of the Vendor. The Vendor:

(a) throughout the Interim Period, will upkeep and maintain the Property in its present condition, reasonable wear and tear excepted, and will manage the Property in a professional and diligent manner and as a careful and prudent owner would do in accordance with current practices in the CCAA Proceedings and in compliance with all applicable laws, regulations and orders;

(b) throughout the Interim Period, will maintain in full force and effect insurance coverage for fire, earthquake and all risks in respect of the Property as well as commercial liability coverage until closing on the Closing Date, in such amounts and on such terms as would a prudent owner;

(c) throughout the Interim Period, will use commercially reasonable efforts to:

(i) obtain all consents, approvals and authorizations that may be required in order to provide the Purchaser with the right to use Intellectual Property for the purposes of the marketing, development and construction of the Project as of the Closing Date;

(ii) obtain an extension of at least six months from the City of Vancouver in connection with the building permit for the Project; and

(iii) obtain reliance letters in favour of the Purchaser in connection with those Consultant Reports that the Purchaser identifies to the Vendor, in writing, not less than fifteen (15) Business Days prior to the Closing Date;

(d) will, as soon as reasonably possible following the granting of the Preliminary Order, deliver to the Purchaser a copy of the Buyer List;

(e) from the Execution Date until the satisfaction or waiver of all of the conditions precedent set out in Section 8.1(a), will not enter into any commitment or agreement or contract, or modify any material terms or terminate any of the Approved Contracts, Permitted Encumbrances, Title Contracts, Plans, Permits and Approvals, or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets without prior written notice to the Purchaser, and from the date of satisfaction or waiver by the Purchaser of all of the conditions precedent set out in Section 8.1(a) will not enter into any commitment or agreement or contract, or modify any material terms or terminate any of the Approved Contracts, Permitted Encumbrances, Title Contracts, Plans, Permits and Approvals, or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets without the prior written consent of the Purchaser, which the Purchaser may withhold in its sole discretion;

(f) will, on or prior to the Closing Date, cancel, disclaim or terminate at its expense all Contracts other than Approved Contracts;

(g) will take or cause to be taken all proper steps and actions and corporate proceedings on its part to enable the Vendor to vest a good and marketable title to the Purchased Assets in the Purchaser free and clear of all Encumbrances except for Permitted Encumbrances and to enable the Vendor to carry out the sale of the Purchased Assets and to execute and deliver this Agreement as valid and binding obligations of the Vendor; and

(h) will promptly notify the Purchaser if the Vendor becomes aware that, after the date of this Agreement, any of its representations or warranties in this Agreement become untrue or incorrect or if any covenants, terms or conditions in this Agreement are breached or cannot be performed.

3.2 Covenants of the Purchaser. The Purchaser:

(a) covenants to use commercially reasonable efforts to, as soon as reasonably possible following the Execution Date:

(i) obtain a financing commitment on terms acceptable to the Purchaser, acting reasonably, from one or more of the Creditors to provide land financing in connection with the Project as of the Closing Date in an amount equal to at least 50% of the Purchase Price, for a term of two years with two six-month extension options (the "**Required Financing**"); and

(ii) obtain a written statement from one or more of the Creditors that such Creditor(s) are prepared to consider a construction financing facility in connection with the Project that does not require an unrelated third-party construction manager or general contractor, and certain other terms to be mutually agreed to between the Purchaser and Creditor(s) (the "**Construction Commitment**"),

and, upon the Purchaser obtaining the Required Financing and/or the Construction Commitment, the Purchaser will deliver written confirmation thereof to the Vendor within a reasonable period of time following its obtaining of the Required Financing and the Construction Commitment, respectively;

(b) will on or before 5:00 p.m. (Vancouver time) on the Condition Date provide the Vendor with notice of the Contracts which it will accept as Approved Contracts; and

(c) will promptly notify the Vendor if the Purchaser becomes aware that, after the date of this Agreement, any of its representations or warranties in this Agreement become untrue or incorrect or if any covenants, terms or conditions in this Agreement are breached or cannot be performed.

ARTICLE 4 – RISK

4.1 Risk. The Purchased Assets will be at the risk of the Vendor until completion of closing on the Closing Date and thereafter at the risk of the Purchaser.

4.2 Material Loss Damage. If there is any Material Loss prior to the passing of risk as set out in Section 4.1, the Purchaser will, within fifteen (15) days following such Material Loss, by notice in writing at its option either:

(a) terminate this Agreement, in which case the Deposit together with accrued interest will be paid to the Purchaser and neither party will be under any further obligation to the other; or

(b) elect to complete the purchase of the Purchased Assets, in which case the insurance proceeds and the right to receive the proceeds of all insurance will be assigned by the Vendor to the Purchaser on the Closing Date and the Purchase Price shall be reduced by the amount of any insurance deductible that has not been paid by the Vendor.

Failure by the Purchaser to so elect within the period set out above will be deemed to be an election to complete the purchase of the Purchased Assets. The Vendor will promptly notify the Purchaser if it becomes aware of any Material Loss.

ARTICLE 5 – ADJUSTMENTS AND RELATED MATTERS

5.1 Adjustments. The Purchase Price payable by the Purchaser to the Vendor for the Purchased Assets will be subject to adjustment. All adjustments with respect to the Purchased Assets, including taxes, utilities, deposits and interest on deposits (if any), and other items normally adjusted between a vendor and purchaser in the sale of similar properties in British Columbia will be adjusted as of the Closing Date so that the Vendor will bear and pay all expenses and receive all income related to the Purchased Assets accruing prior to the Closing Date and the Purchaser will bear and pay all expenses and receive all income related to the Purchased Assets accruing on and after the Closing Date and the Purchase Price will be adjusted accordingly. The Vendor shall cause any water, gas, or electrical meter readings required to make the adjustments herein.

5.2 Statement of Adjustments. A statement of adjustments will be delivered to the Purchaser by the Vendor at least five (5) Business Days prior to the Closing Date and shall have annexed to it complete details of the calculations used by the Vendor to arrive at all debits and credits on the statement of adjustments. On request, the Vendor shall give the Purchaser access to the Vendor's working papers and backup materials in order to confirm the statement of adjustments.

5.3 Re-Adjustment Determination. The parties acknowledge and agree that there will be no re-adjustment after the Closing Date.

5.4 Purchase Price Reduction. In the event that an Approval and Vesting Order (rather than a Reverse Vesting Order) is granted by the Court, the parties agree that the Purchase Price shall be reduced by an amount equal to the amount of property transfer tax payable by the Purchaser in connection with the transfer of the Property to the Purchaser on the Closing Date.

ARTICLE 6 – POSSESSION

6.1 Possession Date. The Purchaser will, upon completion of the purchase and sale have possession of all Purchased Assets as of the Closing Date free and clear of all Encumbrances subject only to the Permitted Encumbrances.

6.2 Non-assignable Assets. If any of the Purchased Assets are not transferable without consent of a third party by the terms of the applicable instruments, the Vendor shall use commercially reasonable efforts to obtain such consent prior to the Closing Date and, if such consent is not obtained by the Closing Date, the Vendor shall use commercially reasonable efforts to obtain an Order in the CCAA Proceedings transferring or assigning, as applicable, such Purchased Assets to the Purchaser. For certainty, any failure to obtain the consent of any such third party will not constitute a default of the Vendor nor will it entitle the Purchaser to terminate this Agreement.

ARTICLE 7 – REPRESENTATIONS AND WARRANTIES

7.1 Vendor's Representations and Warranties. The Vendor represents and warrants to the Purchaser, regardless of any independent investigations that the Purchaser may cause to be made, that as at the date of this Agreement:

(a) the Limited Partnership is a limited partnership formed under the *Partnership Act* (British Columbia) and has the power and authority to own the Purchased Assets, to enter into this Agreement, and to perform its obligations under this Agreement, all of which have been authorized by all necessary proceedings;

(b) the GP is a corporation formed under the *Business Corporations Act* (British Columbia) and has the power and authority to own the Purchased Assets, in its capacity as general partner of the Limited Partnership or in its own capacity, as applicable, to enter into this Agreement, and to perform its obligations under this Agreement, all of which have been authorized by all necessary proceedings;

(c) the Limited Partnership is a Canadian partnership within the meaning of the *Income Tax Act* (Canada); and

(d) the GP is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

7.2 Survival of Vendor's Representations and Warranties. The representations and warranties contained in Section 7.1 will survive the Closing Date and will continue in full force and effect for the benefit of the Purchaser after the Closing Date for a period of 12 months, unless otherwise expressly indicated herein, notwithstanding any independent inquiry or investigation by the Purchaser or the satisfaction or waiver by the Purchaser of any condition set out in Section 8.1, the subject matter of which is contained in a representation or warranty in this Agreement.

7.3 Purchaser's Representations and Warranties. The Purchaser represents and warrants to the Vendor, regardless of any independent investigation that the Vendor may cause to be made that:

(a) the Purchaser is a corporation incorporated and existing under the laws of British Columbia;

(b) the Purchaser has the corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;

(c) there is no action or proceeding pending or to the best of the Purchaser's knowledge, threatened against the Purchaser before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser's ability to perform the Purchaser's obligations hereunder;

(d) neither the Purchaser's entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject;

(e) the Purchaser is not a non-Canadian for the purposes of the *Investment Canada Act* (Canada); and

(f) the Purchaser is not a foreign entity for the purposes of the *Property Transfer Tax Act* (British Columbia).

7.4 Survival of Purchaser's Representations and Warranties. The representations and warranties contained in Section 7.3 will survive the Closing Date and will continue in full force and effect for the benefit of the Vendor after the Closing Date for a period of 12 months, unless otherwise expressly indicated herein, notwithstanding any independent inquiry or investigation by the Vendor.

7.5 "As Is" Purchase. The Purchaser acknowledges and agrees that:

(a) in entering into this Agreement and completing the transactions contemplated herein, except for the representations and warranties of the Vendor set out in

Section 7.1, the Purchaser has relied and will continue to rely solely upon its own due diligence with respect to the Purchased Assets;

(b) the Purchased Assets are being purchased by the Purchaser on an "as is, where is" basis as of the Closing Date and without any representation or warranty, whether expressed or implied by this Agreement or at law, by the Vendor of any nature or kind whatsoever respecting any of the Purchased Assets or any matter relating thereto, except for the representations and warranties of the Vendor set out in Section 7.1 or in the Closing Documents;

(c) except for the representations and warranties of the Vendor set out in Section 7.1 or in the Closing Documents, the Vendor makes no representations or warranties concerning any statements made or information delivered or made available to the Purchaser (whether by the Vendor, the Vendor's Solicitors or any other agents, representatives or advisors of the Vendor or any of their respective affiliates, or any other person) with respect to the Purchased Assets, whether included as part of any due diligence maters or any other information disclosed to the Purchaser or otherwise; and

(d) except as otherwise expressly provided for in this Agreement or in the Closing Documents, the Vendor shall have no obligations or responsibility to the Purchaser after the Closing Date with respect to any matter relating to the Purchased Assets or the condition thereof.

The provisions of this Section shall survive closing or the termination of this Agreement.

ARTICLE 8 – CONDITIONS PRECEDENT

8.1 Purchaser's Conditions. The Purchaser's obligation to complete the transactions contemplated by this Agreement is subject to the following conditions, all of which are for the sole benefit of the Purchaser:

(a) on or before 5:00 p.m. (Vancouver time) on April 1, 2021, the Purchaser will have given written notice to the Vendor that:

(i) the Purchaser has obtained the Required Financing; and

(ii) the Purchaser has obtained the Construction Commitment;

(b) on the Closing Date, the representations and warranties of the Vendor contained in Section 7.1 will be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Closing Date; and

(c) on the Closing Date, all of the covenants and agreements of the Vendor to be performed on or before the Closing Date pursuant to this Agreement will have been duly performed in all material respects.

If the conditions set out in this Section have not been satisfied by notice in writing from the Purchaser to the Vendor, by the times specified in this Section, the Purchaser may by notice in writing to the Vendor waive satisfaction of such conditions, in whole or in part, without prejudice to any of its other rights under this Agreement and complete the purchase of the Purchased Assets or elect not to complete.

8.2 Satisfaction and Waiver of Purchaser's Conditions. The parties agree that if the Purchaser does not give notice to the Vendor by the time limited in Section 8.1(a) that the conditions in that Section are satisfied or waived, then this Agreement will automatically be null and void upon the expiry of such time and the Deposit shall be returned to the Purchaser with interest (if any).

8.3 Consideration for and Nature of Conditions. A portion of the Deposit in the amount of $10.00 represents non-refundable consideration paid by the Purchaser for its right to satisfy or waive the conditions set out in Section 8.1 and Section 8.4 and the Vendor acknowledges the sufficiency in all respects of such consideration. Although the Purchaser's obligation to complete the transaction contemplated by this Agreement is subject to satisfaction or waiver of conditions, those conditions are not conditions to there being a binding agreement of purchase and sale between the parties respecting the Purchased Assets and until the time limited for the satisfaction or waiver of such conditions has expired, this Agreement is not void, voidable, revocable or, except for default, otherwise capable of being terminated by either of the parties.

8.4 Mutual Conditions. The obligation of each of the parties to complete the transactions contemplated by this Agreement is subject to the following mutual conditions, all of which are for the benefit of both the Vendor and the Purchaser:

(a) the Vendor has obtained an Order in form and content satisfactory to the Vendor and the Purchaser, acting reasonably, approving, authorizing and directing the Vendor to enter into this Agreement (the "**Preliminary Order**"). The Vendor shall use all commercially reasonable efforts to obtain a Preliminary Order on or before 5:00 p.m. (Vancouver time) on the date that is 15 days after the Condition Date;

(b) on or before 5:00 p.m. (Vancouver time) on the date that is 15 Business Days after the date that the condition precedent set out in Section 8.6(a) has been satisfied or waived, the Vendor has obtained (at the sole cost of the Vendor) an Order or Orders (the "**Final Order**") either:

(i) (A) adding ShellCo as a debtor to the CCAA Proceedings; (B) replacing the GP as the general partner of the Limited Partnership with ShellCo; (C) transferring and assigning all of the Excluded Assets to ShellCo; (D) vesting title to the Purchased Assets (including, without limitation, the Shares) in and to the Purchaser, free and clear of all Encumbrances except the Permitted Encumbrances; and (E) approving this Agreement and implementing the transactions contemplated herein in accordance with its terms (the "**Reverse Vesting Order**"); or

(ii) (A) vesting title to the Purchased Assets (which, for certainty, do not include any shares of the GP) in and to the Purchaser, free and clear of all Encumbrances except the Permitted Encumbrances and in a form registrable in the Land Title Office; and (B) approving this Agreement and implementing the transactions contemplated herein in accordance with its terms (the "**Approval and Vesting Order**").

8.5 Satisfaction of Mutual Conditions. The parties agree that if each of the Purchaser and the Vendor do not give notice to the other party by the time limited in Sections 8.4(a) and 8.4(b) that the conditions in those Sections are satisfied, then this Agreement will automatically be null and void upon the expiry of such time and the Deposit shall be returned to the Purchaser with interest (if any). For certainty, a failure to satisfy any of the conditions set out in Section 8.4 shall not constitute a default of either party.

8.6 Vendor's Conditions. The Vendor's obligation to complete the transactions contemplated by this Agreement is subject to the following conditions, all of which are for the sole benefit of the Vendor:

(a) the Vendor does not receive a Superior Offer on or before 5:00 p.m. (Vancouver time) on the Final Offer Date;

(b) on the Closing Date, the representations and warranties of the Purchaser contained in Section 7.3 will be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Closing Date; and

(c) on the Closing Date, all of the covenants and agreements of the Purchaser to be performed on or before the Closing Date pursuant to this Agreement will have been duly performed in all material respects.

If the conditions set out in this Section have not been satisfied by notice in writing from the Vendor to the Purchaser, by the times specified in this Section, the Vendor may, with the written consent of the Monitor, by notice in writing to the Purchaser waive satisfaction of such conditions, in whole or in part, without prejudice to any of its other rights under this Agreement and complete the sale of the Purchased Assets or elect not to complete.

8.7 Satisfaction and Waiver of Vendor's Conditions. Notwithstanding anything to the contrary set out herein, from the date of issuance of the Preliminary Order until the Final Offer Date, the Vendor and its Authorized Parties may engage in further marketing of and negotiations in connection with the Purchased Assets for the purposes of soliciting Bona Fide Offers from prospective purchasers that are not party to this Agreement (each, a "**Prospective Purchaser**"). In the event that the Vendor receives one or more Bona Fide Offers from Prospective Purchasers which provide for a superior offer to that of the Purchaser under this Agreement (a "**Superior Offer**"), the Vendor shall notify the Purchaser, in writing, that a Superior Offer has been received. The parties agree that if the Vendor receives one or more Superior Offers on or before the time limited in Section 8.6(a), the Vendor accepts one of such Superior Offers and such Superior Offer becomes unconditional, then: (i) this Agreement will automatically be null and void upon the delivery of notice of the same by the Vendor to the Purchaser; (ii) the Deposit shall be returned to the Purchaser with interest (if any); (iii) the Vendor shall use all commercially reasonable efforts to cause the transaction contemplated under such Superior Offer to be completed; and (iv) the Vendor shall pay the Break Fee to the Purchaser within a reasonable period of time following the Vendor's receipt of the proceeds of sale from such Superior Offer. The Vendor acknowledges and agrees that in its marketing of the Purchased Assets to Prospective Purchasers, it shall keep the terms of this Agreement (including the Purchase Price) confidential and shall not disclose any such terms to any Prospective Purchasers.

8.8 Consideration for and Nature of Conditions. The Vendor hereby pays to the Purchaser the amount of $10.00 representing non-refundable consideration paid by the Vendor for its right to satisfy or waive the conditions set out in Sections 8.4 and 8.6 and the Purchaser acknowledges the sufficiency in all respects of such consideration. Although the Vendor's obligation to complete the transaction contemplated by this Agreement is subject to satisfaction or waiver of conditions, those conditions are not conditions to there being a binding agreement of purchase and sale between the parties respecting the Purchased Assets and until the time limited for the satisfaction or waiver of such conditions has expired, this Agreement is not void, voidable, revocable or, except for default, otherwise capable of being terminated by either of the parties.

8.9 CCAA Proceedings. The Purchaser shall support the application for the Final Order. Each of the parties agrees that the Vendor shall seek a Reverse Vesting Order from the Court as a first option and, failing that, the Vendor shall seek an Approval and Vesting Order from the Court. In the event any variation is sought or leave to appeal is sought, an appeal is taken or a stay pending appeal is requested with respect to the Final Order, the Vendor shall promptly notify the Purchaser of such application for leave to appeal, appeal or stay request and shall promptly provide to the Purchaser a copy of the related notice(s) or order(s).

8.10 Form of Order. The Vendor or its solicitors will provide the Purchaser and its solicitors with a draft copy of all Orders proposed to be obtained in connection with this Agreement for review and comment at least two (2) days prior to the date that the Vendor applies for such Order(s), and, provided that such amendments are consistent with the terms set out herein, the Vendor will incorporate any reasonable amendments requested by the Purchaser or its solicitors.

ARTICLE 9 – CLOSING

9.1 Closing. The closing of the purchase and sale of the Purchased Assets will commence at 10:00 a.m. (Vancouver time) on the Closing Date as a virtual closing with documents to be exchanged electronically, or at such other time on the Closing Date or in such other format as may be agreed in writing by the Vendor and the Purchaser.

9.2 Vendor's Closing Documents. On or before the Closing Date, the Vendor will deliver, or cause the Vendor's Solicitors to deliver, to the Purchaser's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable and all in a form satisfactory to the Purchaser, acting reasonably:

(a) Court certified copy of the Final Order and any other Orders as are necessary, all in a form registrable in all necessary offices required to effect the transfer of the Purchased Assets;

(b) letters from legal counsel to the Vendor to the Land Title Survey Authority or other agency as may be required by the Final Order;

(c) a beneficial transfer conveying the beneficial interest in the Property to the Purchaser;

(d) an assignment and assumption of Approved Contracts, Plans, Permits and Approvals wherein the Purchaser assumes the rights and obligations under the Approved Contracts and Plans, Permits and Approvals as of the Closing Date and the Purchaser indemnifies the Vendor for all Liability under the Approved Contracts and Plans, Permits and Approvals arising after the completion of the transactions contemplated herein and the Vendor retains all Liability under the Approved Contracts and Plans, Permits and Approvals arising prior to the Closing Date and indemnifies the Purchaser for all Liability under the Approved Contracts and Plans, Permits and Approvals arising prior to the completion of the transactions contemplated herein;

(e) an assignment and assumption of Permitted Encumbrances and Title Contracts;

(f) an assignment and assumption of the Vendor's right, title and interest, in and to: (i) subject to such transfer being approved by the necessary parties in accordance with Section 3.1(c)(i), the Intellectual Property; (ii) all insurance and new home warranties obtained in connection with the Project; and (iii) all marketing materials prepared in connection with the Project;

(g) a bill of sale conveying the Chattels to the Purchaser;

(h) a statement of adjustments pursuant to Article 5;

(i) an assignment of all of the Vendor's rights under any and all Warranties wherein the Purchaser acquires all rights under the Warranties whether arising prior to or after the Closing Date;

(j) in the event that a Reverse Vesting Order is granted: (i) a transfer of the Shares together with all resolutions, certificates and acknowledgements of the Limited Partnership and the GP as may be reasonably required by the Purchaser to effectively transfer the Shares; and (ii) an amendment to the LP Agreement effecting the change in the general partner from the GP to ShellCo, together with all supporting resolutions, certificates and acknowledgements of the Limited Partnership and the GP as may be reasonably required by the Purchaser;

(k) a certificate dated as of the Closing Date of a senior officer of the GP, in its own capacity and as general partner of the Limited Partnership, having knowledge of the facts certifying, on behalf of the GP and the Limited Partnership and without personal liability, that the representations and warranties set out in Section 7.1 are true and correct in all material respects as at the Closing Date and that the Vendor's covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects;

(l) a notice from the Vendor to the other parties under the Approved Contracts giving notice of the sale of the Property;

(m) keys to all units and facilities of the Property to the extent required by the Purchaser; and

(n) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

9.3 Purchaser's Closing Documents. On or before the Closing Date, the Purchaser will deliver, or cause the Purchaser's Solicitors to deliver, to the Vendor's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable:

(a) an assignment and assumption of Approved Contracts, Plans, Permits and Approvals;

(b) an assignment and assumption of Permitted Encumbrances and Title Contracts;

(c) an assignment and assumption of the Vendor's right, title and interest, in and to: (i) subject to such transfer being approved by the necessary parties in accordance with Section 3.1(c)(i), the Intellectual Property; (ii) all insurance and new home warranties obtained in connection with the Project; and (iii) all marketing materials prepared in connection with the Project;

(d) the GST Certificate;

(e) a certificate dated as of the Closing Date of a senior officer of the Purchaser having knowledge of the facts certifying, on behalf of the Purchaser and without personal liability, that the representations and warranties set out in Section 7.3 are true and correct in all material respects as at the Closing Date and that the Purchaser's covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects; and

(f) such other documents and assurances as may be reasonably required by the Vendor to give full effect to the intent and meaning of this Agreement.

9.4 Preparation and Form of Documents. The closing documents contemplated in Sections 9.2 and 9.3 (collectively, the "**Closing Documents**"), other than the statement of adjustments in Article 5, the materials required in connection with a Reverse Vesting Order set out in Section 9.2(j), if applicable, and the Final Order, will be prepared by the Purchaser's Solicitors and delivered to the Vendor's Solicitors at least five (5) Business Days before the Closing Date. The Closing Documents (including the statement of adjustments in Article 5, the materials required in connection with a Reverse Vesting Order set out in Section 9.2(j), if applicable, and the Final Order) will be in a form and substance reasonably satisfactory to the parties. The Vendor shall provide the Purchaser with drafts of all materials to be filed with the Court no later than two (2) days prior to the date of any hearing of the Court regarding the Final Order.

9.5 Payment into Trust. On or before the Closing Date, the Purchaser will pay to the Purchaser's Solicitors in trust, by way of certified cheque, bank draft, or wire transfer, funds in an amount equal to the Balance, as adjusted, less any amount to be advanced to the Purchaser on the Closing Date under any mortgage financing arranged by the Purchaser, as further described in Section 9.9.

9.6 Registration. On the Closing Date, after receipt by the Purchaser's Solicitors of the Closing Documents set out in Section 9.2 and the funds as set out in Section 9.5, and after receipt by the Vendor's Solicitors of the Closing Documents set out in Section 9.3, the Purchaser will cause the Purchaser's Solicitors to file the Final Order in the Land Title Office and any security documents applicable to any mortgage financing arranged by the Purchaser, as further described in Section 9.9.

9.7 Closing Escrow. All Closing Documents, funds, and other items delivered by the parties, except the Final Order (which will be dealt with pursuant to Section 9.6), will be held in trust by the Vendor's Solicitors and the Purchaser's Solicitors until completion of closing on the Closing Date in accordance with this Agreement. Promptly after the filings set out in Section 9.6 and a satisfactory post filing for registration search has been received by the Purchaser's Solicitors showing that title to the Property will be registered in the name of the Purchaser free and clear of all Encumbrances except for the Permitted Encumbrances or any Encumbrances granted by or claimed through the Purchaser, the Closing Documents will be released to the appropriate parties and the Purchaser will cause the Purchaser's Solicitors to pay the Purchase Price, as adjusted, to the Vendor's Solicitors by way of wire transfer.

9.8 Concurrent Requirements. It is a condition of the closing that all matters of payment, execution and delivery of documents by each party to the other and the filing of documents in the Land Title Office as set out in Section 9.6, all pursuant to the terms of this Agreement, will be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the closing until everything required as a condition precedent at the closing has been paid, executed and delivered and all filings set out in Section 9.6 have been completed.

9.9 Purchaser's Financing. If the Purchaser is relying upon a new mortgage to finance the purchase of the Purchased Assets, the Purchaser, while still required to pay the Purchase Price on the Closing Date, may wait to pay the Purchase Price until after the Final Order and new mortgage documents have been filed in the Land Title Office and after receipt of the proceeds of such mortgage financing, but only if, before such filing, the Purchaser has:

(a) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage;

(b) fulfilled all the new mortgagee's conditions for funding except filing the mortgage for registration; and

(c) made available to the Vendor, a lawyer's undertaking to pay the Purchase Price upon the filing of the Final Order and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

9.10 Payment by Wire Transfer. Notwithstanding anything else contained herein, provided the Purchaser's Solicitors have initiated the wire transfer for the balance of the Purchase Price, as adjusted, to the Vendor's Solicitors on the Closing Date, and provided the Vendor's Solicitors with written confirmation thereof, the Purchaser will be deemed to have paid the balance of the Purchase Price, as adjusted, due to the Vendor if such amount is credited to the Vendor's Solicitors account by 11:00 a.m. (Vancouver time) on the first Business Day following the Closing Date without interest or penalty. If such amount is not received by 11:00 a.m. (Vancouver time) on the first Business Day following the Closing Date, the Purchaser will pay to the Vendor interest at the rate of the prime rate of interest designated from time to time by Royal Bank of Canada plus 3% per annum on such amount until such time as it is received by the Vendor.

9.11 Termination.

(a) Notwithstanding any other provision of this Agreement, if the transactions contemplated by this Agreement do not complete on or prior to July 30, 2021, other than as a result of the default of the Purchaser, then the Purchaser may terminate this Agreement with written notice delivered to the Vendor without any further liability and the Deposit and interest (if any) shall be returned to the Purchaser.

(b) Notwithstanding any other provision of this Agreement, if the transactions contemplated by this Agreement do not complete on or prior to July 30, 2021, other than as a result of the default of the Vendor, then the Vendor may terminate this Agreement with written notice delivered to the Purchaser without any further liability and the Deposit and interest (if any) shall be returned to the Purchaser.

ARTICLE 10 – TAXES

10.1 GST. The Purchaser represents and warrants to Vendor that it is and will be, as of the closing on the Closing Date, registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the "**ETA**") in accordance with the requirements of Subdivision D of Division V of the ETA and will assume responsibility to account for, report and remit any goods and services tax and harmonized sales tax (collectively, the "**GST**") payable under the ETA in connection with the transaction contemplated in this Agreement. On the Closing Date, the Purchaser will deliver to the Vendor a certificate (the "**GST Certificate**") of a senior officer of the Purchaser certifying, on behalf of the Purchaser and without personal liability (a) that the Purchaser is registered under Part IX of the ETA as of the Closing Date; (b) its registration number; and (c) that the Purchaser will account for, report and remit any GST payable in respect of the purchase of the Purchased Assets in accordance with the ETA. If the Purchaser delivers such GST Certificate, then the Purchaser will not be required to pay to the Vendor, and the Vendor will not be required to collect from the Purchaser nor report or remit, any GST in connection with the transaction contemplated in this Agreement. The Purchaser shall indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of this Section, the GST Certificate or any declaration made therein and such indemnity shall survive the completion of the transactions contemplated herein.

10.2 Provincial Sales Tax. The Purchaser acknowledges that it may be liable to pay provincial sales tax in respect of some or all of the Chattels and, if required, it will report and remit as required by applicable law any such sales tax that is due directly to the applicable taxing authority. The Purchaser shall indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability related to the Vendor's failure to account for, report and remit such provincial sales tax and such indemnity shall survive the completion of the transactions contemplated herein.

10.3 Tax Elections. Notwithstanding the above, the Vendor will cooperate with the Purchaser to execute any election available under applicable law that may reduce or defer the amount or due date of any GST or other tax payable by the Purchaser provided such election will not result in any increased cost or tax liability for the Vendor.

10.4 Other Taxes. The Purchaser shall be responsible for all transfer taxes (subject to an adjustment to the Purchase Price in accordance with Section 5.4), fees and expenses in connection with the registration of the Final Order or transfer of the Purchased Assets.

10.5 Preparation of Tax Returns After Closing. In the event that a Reverse Vesting Order is granted by the Court and the Purchaser acquires the Shares (along with the balance of the Purchased Assets), the Vendor agrees that forthwith following closing on the Closing Date the Vendor will, in consultation with the Purchaser and the Purchaser's professional advisors and accountants, cause income tax and other tax returns consequent to the closing to be prepared for the GP. The Purchaser will be responsible for all reasonable costs related to the preparation and filing of these returns along with the costs of the Purchaser's own accountant and other consultants in reviewing the same. The Vendor will also provide reasonable assistance in preparing and filing all financial statements, tax returns and other documents required by law in respect of any government charges or in respect of any federal, provincial, municipal or other taxing statute for fiscal periods of the GP ending for tax purposes on or before the Closing Date.

ARTICLE 11 – GENERAL

11.1 Further Assurances. Each of the parties will execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.

11.2 No Merger. The execution and delivery of the Closing Documents is not intended to and will not in any way merge or otherwise restrict the terms, covenants, conditions, representations, warranties or provisions made or to be performed or observed by the parties contained in this Agreement other than the obligation to deliver the Closing Documents.

11.3 Entire Agreement. This Agreement constitutes the entire agreement between the Vendor and the Purchaser pertaining to the purchase and sale of the Purchased Assets and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Vendor and the Purchaser, including, for certainty, the LOI, and there are no representations, warranties, covenants or agreements between the Vendor and Purchaser except as set out in this Agreement.

11.4 Amendment. Subject to Section 11.5, this Agreement may only be altered or amended by an agreement in writing executed by all of the parties.

11.5 Solicitors as Agents. Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors, on behalf of the Purchaser, and by the Vendor's Solicitors, on behalf of the Vendor, and any tender of Closing Documents and the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

11.6 Notices. Any notice, document or communication required or permitted to be given under this Agreement will be in writing and delivered by hand or electronic transmission as follows:

(a) if to the Purchaser:

Landa Global Acquisitions Ltd.
1550 – 200 Burrard Street
Vancouver, BC, V6C 3L6

Attention: Kevin Cheung
E-mail: kevin@landaglobal.com

with a further copy to the Purchaser's Solicitors:

Lawson Lundell LLP
Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2

Attention: Maxwell P. Carroll
E-mail: mcarroll@lawsonlundell.com

(b) if to the Vendor:

Port Capital Development (EV) Inc. / Evergreen House Development Limited Partnership
c/o Ernst & Young Inc.
700 West Georgia Street
Vancouver, BC V7Y 1C7

Attention: Mike Bell
E-mail: mike.bell@parthenon.ey.com

with a further copy to the Vendor's Solicitors:

Bennett Jones LLP
666 Burrard Street, Suite 2500
Vancouver, BC V6C 2X8

Attention: David Gruber and Mark Lewis
E-mail: gruberd@bennettjones.com; lewismv@bennettjones.com

with a further copy to the Monitor's Solicitors:

Blake, Cassels & Graydon LLP
595 Burrard Street, P.O. Box 49314,
Suite 2600, Three Bentall Centre
Vancouver, BC V7X 1L3

Attention: Peter Rubin and Greg Umbach
E-mail: peter.rubin@blakes.com; greg.umbach@blakes.com

or to such other address in Canada as either party may in writing advise. Any notice, document or communication will be deemed to have been given on the Business Day when delivered by hand if delivered prior to 5 p.m. (Vancouver time), otherwise will be deemed to be delivered and received on the next Business Day; or, if made by email, shall be deemed to have been given on the Business Day when transmitted if it is so transmitted prior to 5 p.m. (Vancouver time) on the day of transmittal, otherwise will be deemed to be given and received on the next Business Day.

11.7 Fees. Each of the parties will pay its own legal fees and fees of its consultants. The Purchaser will pay all registration costs and property transfer tax payable in connection with its purchase of the Purchased Assets, subject to an adjustment to the Purchase Price in accordance with Section 5.4.

11.8 Real Estate Commissions. Each of the Vendor and the Purchaser represents and warrants that it has not made any agreement with any real estate agent or broker regarding payment of any commission in respect of the purchase and sale of the Purchased Assets.

11.9 Waiver of Site Disclosure Statement. The Purchaser waives any right it may have to be provided with, and any requirement for the Vendor to provide, a site disclosure statement for the Property under the *Environmental Management Act* (British Columbia) and the regulations under that act.

11.10 Time. Time is of the essence of this Agreement. If anything is required to be done under this Agreement on a day which is not a Business Day, the same shall be done on the next following Business Day.

11.11 Tender. Unless otherwise set out herein, any tender of documents or money may be made upon the party being tendered or upon its solicitors and money will be tendered by certified cheque, bank draft, or wire transfer.

11.12 Enurement. This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

11.13 Force Majeure. If by reason of Excusable Delay, the Vendor or Purchaser is delayed in performing or observing a covenant or obligation hereunder which is to be performed or observed (the "**Specified Date**"), or if either the Purchaser or the Vendor is delayed in satisfying or waiving any of the conditions precedent set out in Sections 8.1, 8.4 or 8.6, the applicable Specified Date will be extended by a period of time equal to the duration of the Excusable Delay, provided that the Vendor or Purchaser, as applicable, notifies the other party in writing prior to the applicable Specified Date, and such notice sets out in detail the date of the commencement and nature of such circumstances (the "**Delay Notice**"), and provided further that the party giving the Delay Notice uses its commercially reasonable efforts to render performance in a timely manner utilizing to such end commercially reasonable and available resources required in the circumstances. If the duration of the Excusable Delay exceeds 60 days from the date of giving a Delay Notice, the party receiving such Delay Notice may terminate this Agreement forthwith, notwithstanding any other provision of this Agreement, by giving written notice of termination to the other party, in which event the parties shall have no further obligations to one another. In determining whether delay is excusable, the party giving the Delay Notice shall be held to a commercially reasonable standard and not to a best efforts standard.

11.14 Assignment. The Purchaser will be entitled to assign its rights and obligations under this Agreement on prior written notice to, but without the consent of the Vendor to an affiliate (within the meaning of the *Business Corporations Act* (British Columbia)) of the Purchaser or to a limited partnership in which the general partner is an affiliate (within the meaning of the *Business Corporations Act* (British Columbia)) of the Purchaser if: (i) the Purchaser delivers written notice of such assignment to the Vendor; (ii) the assignee enters into an agreement pursuant to which the assignee agrees to be bound by all of the obligations and Liability of the Purchaser under this Agreement as if it was the original Purchaser; (iii) the Purchaser is not released from its obligations and Liability under this Agreement until the completion of the transactions contemplated in this Agreement, at which time the assignor will be automatically released from all of its obligations and Liability under this Agreement without the need for any further deliveries or instruments of release; and (iv) such assignment is completed not less than ten (10) Business Days prior to the Closing Date. The Purchaser will not otherwise be entitled to assign its rights and obligations under this Agreement except with the prior written consent of the Vendor, such consent may be arbitrarily withheld or delayed by the Vendor.

11.15 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in it.

11.16 Waiver. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision nor will any waiver constitute a continuing waiver unless otherwise expressed or provided.

11.17 Confidentiality. Except as may be required in the CCAA Proceedings, the parties will not disclose the existence of nor the contents of this Agreement to any third party, except their respective directors, officers, employees, agents or advisors, including lawyers, accountants, consultants, bankers and financial advisors (collectively, the "**Authorized Parties**"), without the prior written consent of the other party, not to be unreasonably withheld, provided that such consent is not required in the case of disclosure required by law or disclosure by either party to enforce any of its rights under this Agreement or to obtain necessary consents under this Agreement. The parties will instruct their respective Authorized Parties to comply with the provisions of this Section 11.17 and the parties will be responsible for any breach of the provisions of this Section 11.17 by their respective Authorized Parties. This Section 11.17 does not apply to public information or information in the public domain at the time that such information is obtained, information in the possession of a party not provided by the other party, or information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligation. The obligations under this Section 11.17 shall terminate as of the second anniversary of the date of this Agreement. The provisions of this Section 11.17 shall supersede the confidentiality provisions of the LOI and any non-disclosure or confidentiality agreements entered into by the parties with respect to the Purchased Assets and the transactions contemplated in this Agreement.

11.18 Public Announcement. The parties agree that no disclosure or announcement, public or otherwise shall be made concerning this Agreement or the transactions contemplated hereunder without the prior consent of both parties, except as otherwise required by applicable law, regulation or regulatory authority or stock exchange rules or requirements. The parties shall consult and cooperate with each other with respect to any proposed announcement of the transactions contemplated hereunder.

11.19 No Registration. The Purchaser will not register this Agreement or notice of this Agreement against title to the Property.

11.20 Currency. All dollar amounts referred to are Canadian dollars.

11.21 Construction. The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.

11.22 Counterparts and Execution. This Agreement may be executed in counterparts and delivered by electronic transmission including by PDF format, and each such counterpart will constitute an original and all such counterparts together will constitute one and the same agreement.

11.23 Schedules. The following schedules are attached to and form a part of this Agreement:

Schedule A – Legal Description and Permitted Encumbrances

[Signature pages follow]

The parties are signing this Agreement as of the date set out above.

ERNST & YOUNG INC. in its capacity as the Monitor of EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP, by its general partner, PORT CAPITAL DEVELOPMENT (EV) INC., and not in its personal capacity

DocuSigned by:

By: Mike Bell

Name: Mike Bell

Title: Senior Vice President, Ernst & Young Inc.

ERNST & YOUNG INC. in its capacity as the Monitor of PORT CAPITAL DEVELOPMENT (EV) INC., and not in its personal capacity

DocuSigned by:

By: Mike Bell

Name: Mike Bell

Title: Senior Vice President, Ernst & Young Inc.

LANDA GLOBAL ACQUISITIONS LTD.

By: ______________________________

Name: Kevin Cheung

Title: Authorized Signatory

By: ______________________________

Name:

Title: Authorized Signatory

SCHEDULE A
LEGAL DESCRIPTION AND PERMITTED ENCUMBRANCES

Part 1 – Legal Description of Lands

PID: 006-721-397; LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92

Part 2 – Permitted Encumbrances

(a) the reservations, limitations, provisions or conditions expressed in the original grants from the Crown of any of the Lands and the statutory exceptions to title currently applicable to the Lands;

(b) a claim of right, title or jurisdiction which may be made or established by any aboriginal peoples by virtue of their status as aboriginal peoples to or over any Lands;

(c) liens for taxes, assessments, rates, duties, charges or levies not at the time due, which relate to obligations or Liability assumed by the Purchaser; and

(d) the Encumbrances listed below in respect of the Lands.

Legal Notations

1. Easement No. BP238635

Charges, Liens and Interests

1. Restrictive Covenant No. R18424
2. Easement and Indemnity Agreement No. J7909
3. Easement No. BP238634

Appendix B

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 April 3, 2021 to June 11, 2021
$CAD

	Week Ending	1 9-Apr-21 Forecast	2 16-Apr-21 Forecast	3 23-Apr-21 Forecast	4 30-Apr-21 Forecast	5 7-May-21 Forecast	6 14-May-21 Forecast	7 21-May-21 Forecast	8 28-May-21 Forecast	9 4-Jun-21 Forecast	10 11-Jun-21 Forecast	Total
Receipts												
Refund from BC Hydro	1	218,335	-	-	-	-	-	-	-	-	-	**218,335**
GST Refund	2	-	-	-	-	34,139	-	-	-	-	-	**34,139**
		218,335	**-**	**-**	**-**	**34,139**	**-**	**-**	**-**	**-**	**-**	**252,474**
Disbursements												
Insurance	3	-	-	(76,470)	-	-	-	-	-	-	-	**(76,470)**
Site preservation	4	(2,054)	(6,233)	-	(10,731)	-	-	-	(10,731)	-	-	**(29,749)**
Glass storage costs	5	(6,549)	-	-	(6,549)	-	-	-	(6,549)	-	-	**(19,647)**
Consultants - city requirements	6	(1,486)	-	-	(2,235)	-	-	-	(2,235)	-	-	**(5,956)**
Crane lease	7	(8,085)	-	-	(8,085)	-	-	-	(8,085)	-		**(24,255)**
Permit costs	8	(1,476)	-	-	-	-	-	-	-	-	-	**(1,476)**
General, admin & miscellaneous expenses	9	(2,404)	(13,600)	(8,500)	(7,899)	(3,250)	(1,000)	(1,000)	(7,899)	(3,250)	(1,000)	**(49,803)**
Contingency	10	-	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	**(67,500)**
		(22,055)	**(27,333)**	**(92,470)**	**(42,999)**	**(10,750)**	**(8,500)**	**(8,500)**	**(42,999)**	**(10,750)**	**(8,500)**	**(274,857)**
Restructuring Disbursements												
Restructuring costs	11	-	(30,769)	(84,679)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	**(199,448)**
Brokerage work fee	12	-	-	-	-	-	-	-	-	-	-	**-**
		-	**(30,769)**	**(84,679)**	**(12,000)**	**(12,000)**	**(12,000)**	**(12,000)**	**(12,000)**	**(12,000)**	**(12,000)**	**(199,448)**
Net Cash Flow		**196,280**	**(58,102)**	**(177,149)**	**(54,999)**	**11,389**	**(20,500)**	**(20,500)**	**(54,999)**	**(22,750)**	**(20,500)**	**(221,831)**
Cash Balance												
Opening Available Cash Balance		27,219	223,498	165,396	88,247	33,248	44,637	24,137	110,637	55,637	32,887	**27,219**
Net Cash Flow		196,280	(58,102)	(177,149)	(54,999)	11,389	(20,500)	(20,500)	(54,999)	(22,750)	(20,500)	**(221,831)**
DIP Draw/(Payback)		-	-	100,000	-	-	-	107,000	-	-		**207,000**
Closing Available Cash Balance		**223,498**	**165,396**	**88,247**	**33,248**	**44,637**	**24,137**	**110,637**	**55,637**	**32,887**	**12,387**	**12,387**
DIP Balance												
Opening Balance		1,250,000	1,262,740	1,265,646	1,368,558	1,371,708	1,374,865	1,378,029	1,488,200	1,491,625	1,495,058	**1,250,000**
Draw/(Payback)		-	-	100,000	-	-	-	107,000	-	-	-	**207,000**
Legal Fees	13	-	-	-	-	-	-	-	-	-	-	**-**
Commitment Fee		-	-	-	-	-	-	-	-	-	-	**-**
DIP Interest	13	12,740	2,906	2,913	3,150	3,157	3,164	3,171	3,425	3,433	3,441	**41,500**
DIP Balance		**1,262,740**	**1,265,646**	**1,368,558**	**1,371,708**	**1,374,865**	**1,378,029**	**1,488,200**	**1,491,625**	**1,495,058**	**1,498,499**	**1,498,500**

See attached disclaimer

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**"). Ernst & Young Inc., in its capacity as the Monitor of the Petitioners (the "**Monitor**"), with the assistance of the Petitioners, 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 June 11, 2021. The Cash Flow Forecast covers the period from April 3, 2021 to June 11, 2021 (the "**Period**").

1. **Refund from BC Hydro**: an estimated refund for a deposit held by BC Hydro for design fees associated with a proposed electrical systems for the Terrace House Project.

2. **GST Refund**: The estimated refund for GST paid on disbursements incurred during these CCAA proceedings.

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

4. **Site Preservation:** Includes site security, scaffolding and fence rental and other items related to site preservation.

5. **Glass Storage Costs**: Costs associated with the storage of acquired glass and related materials.

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

7. **Crane Lease** – Costs associated with the lease for the crane that remains on site.

8. **Permit Costs –** Costs associated with City of Vancouver permitting required for site preservation.

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

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

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

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

13. **DIP Interest and Fees:** Interest, legal, and other fees associated with the DIP facility.

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

SIXTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

May 20, 2021

TABLE OF CONTENTS
TO THE
SIXTH REPORT OF THE MONITOR

LISTING OF APPENDICES
TO THE
SIXTH REPORT OF THE MONITOR

INTRODUCTION

1. Port Capital Development (EV) Inc. (the "**General Partner**") and Evergreen House Development Limited Partnership ("**Evergreen LP**"), (each a "**Petitioner**", and collectively, the "**Petitioners**") own a real estate development project called the "**Terrace House Project**".

2. The General Partner is the Bare Trustee that holds title to the real property owned by the Petitioners with a legal description as follows:

   PID: 006-721-397; LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92

3. The Petitioners are subsidiaries of the "**Port Capital Group**", which is in the business of real estate development and management primarily in British Columbia, but also Toronto, Ontario.

4. CMLS Financial Ltd ("**CMLS**" or the "**Construction Lender**") is the Terrace House Project's construction lender pursuant to a commitment letter dated July 4, 2019 (the "**Construction Loan**"). The Construction Loan is secured by, among other things, a first ranking mortgage against the Terrace House Project. The indebtedness on the Construction Loan is approximately was approximately $21.1 million as at April 1, 2021.

5. Desjardins Financial Security Life Assurance Company (the "**DIP Lender**") has provided the Petitioners access to a debtor-in-possession financing facility (the "**DIP Facility**"). As of the date of this report, the Petitioners have drawn $1.25 million on the approved DIP Facility of $1.5 million.

6. Aviva Insurance Company of Canada ("**Aviva**" and together with CMLS, the "**Secured Creditors**") provided a deposit protection insurance facility to permit the Petitioners to have access to the pre-sale purchasers' deposit monies for the payment of project costs.

Management estimated that approximately $14.7 million would be owing pursuant to Aviva's insurance deposit facility contingent upon the return of deposits to the pre-sale purchasers.

7. Additionally, Management estimates that there are approximately $4.0 million in lien claimants and $2.3 million in unsecured creditors. The unsecured indebtedness and lien claimants of the Petitioners primarily consist of amounts owing on account of trade debt, property taxes and unpaid professional firms and consultants fees.

8. On May 29, 2020, this Honourable Court pronounced an Order (the "**Initial Order**") which, *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 "**Stay Period**"); and

   c) granted the Monitor "**Enhanced Powers**" to execute control over the Petitioners and to explore restructuring opportunities for the Terrace House Project 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.

9. On June 8, 2020, this Honourable Court granted an order amending the Initial Order (the "**Amended and Restated Initial Order**" or "**ARIO**") that among other things approved the DIP Commitment Letter and the DIP Lender's Charge (both as defined in the First Report).

10. Paragraphs 19 – 28 of the Third Report dated November 27, 2020 provide extensive detail on the Monitor's administration of the two (2) phased SISP approved by this Honourable Court. The SISP initially resulted in the execution of an offer agreement (the "**Bosa Bid Offer Agreement**") on behalf of the Petitioners with Bosa Properties (OC) Inc. ("**Bosa**") which was approved by this Honourable Court on December 1, 2020.

11. The Bosa Bid Offer Agreement provided Bosa to February 16, 2021 (the "**Due Diligence Period**") to complete a satisfactory feasibility study and due diligence analysis (the "**Feasibility Study**") relating to the economics of the Terrace House Project, and to obtain construction financing.

12. Bosa provided the Monitor with a feasibility study (the "**Confidential Feasibility Study**") on the Terrace House Project and put forward a proposal that varied from the Bid Offer that was not acceptable to CMLS; and accordingly, the Monitor in consultation with CMLS did not advance Bid Offer to a definitive agreement.

13. On April 13, 2021, the Monitor filed its "**Fifth Report**" in which it sought the approval of a Purchase and Sale Agreement with Landa Global Acquisition Inc. (the "**Landa PSA**") and a sealing order in connection with same. The process resulting to the Landa PSA and details pertaining to same is described in detail in paragraphs 25 to 35 of the Fifth Report, the key terms of which included the following:

    a) a confidential Purchase Price payable in cash;

    b) a break-fee equal to approximately 1% of the Purchase Price payable from the proceeds of a Superior Offer;

    c) the conduct of a further marketing period for the Terrace Project (the "**Final Marketing Phase**") to solicit superior cash bids (a "**Superior Offer**") to the Landa PSA; and

    d) the Petitioners shall seek:

        i. a Reverse Vesting Order ("**RVO**") from this Honourable Court to allow the Purchaser to acquire the General Partner and the Purchased Assets free and clear of all Encumbrances except certain limited Permitted Encumbrances; or

ii. should this Honourable Court not grant the RVO, an Approval and Vesting Order ("**AVO**") to acquire the assets of the Petitioners free and clear of all Encumbrances except certain limited Permitted Encumbrances; and

iii. should this Honourable Court refuse to grant the RVO, the Purchase Price shall be adjusted on a dollar-for-dollar basis by the property transfer tax (the "**PTT**") that will be payable should a transfer of title to the Lands occur; and accordingly the Monitor is of the view that the sale of the General Partner pursuant to a RVO will result in a materially higher recovery to creditors.

14. On April 16, 2021, this Honourable Court granted an order which, *inter alia,* approved the Monitor's execution of the Landa PSA and the Order Sought in connection with same.

15. The Monitor has previously filed six reports in these CCAA proceedings: the "**Proposed Monitor's Report**", the "**First Report**", the "**Second Report**", the "**Third Report**", the "**Fourth Report**", and the "**Fifth Report**". These reports are posted on the Monitor's website at www.ey.com/ca/terracehouse.

16. The Stay Period has been extended from time to time and the current Stay Period expires June 11, 2021. This Honourable Court has granted the following "Charges" that rank in the following order:

a) an Administration Charge in the amount of $250,000 in favor of legal counsel for the Petitioners, the Monitor, and independent counsel to the Monitor, as security for professional fees and disbursements incurred both before and after the making of the Initial Order in respect of the within proceedings; and

b) the DIP Lender's Charge in the amount of $1,500,000.

17. The purpose of this "**Sixth Report**" is to provide information to this Honourable Court with respect to the following:

    a) an update on the SISP and the conduct of the Final Marketing Phase (as defined in the Fifth Report);

    b) the Solterra PSA (defined below);

    c) the request for the approval of the Solterra PSA;

    d) the request for this Honourable Court to grant an RVO or an AVO with respect to the Solterra PSA

    e) the request for this Honourable Court to grant a Sealing Order with respect to the Confidential Supplement;

    f) an updated cash flow forecast for the Petitioners;

    g) the request for an extension to the Stay Period to September 30, 2021; and

    h) the Monitor's conclusions and recommendation.

TERMS OF REFERENCE

18. In preparing this Sixth Report and making the comments herein, the Monitor has been provided with and 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 Sixth 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 Sixth 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.

19. Future oriented financial information referred to in this Sixth Report was prepared based on Management's and the Monitor'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.

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

21. All capitalized terms used herein that are undefined have the meanings ascribed thereto in the Proposed Monitor's Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report and the Amended and Restated Initial Order.

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

CONDUCT OF THE FINAL MARKETING PHASE

23. The Landa PSA allowed the Monitor to engage in the Final Marketing Phase to solicit a Superior Offer to the Landa PSA. The Final Marketing Phase agreed to is best described as a hybrid between a Stalking Horse procedure and Sealed Bid procedure.

24. The table below provides a timeline for the key milestones as contemplated in the Landa PSA:

Estimated Date	Milestone
April 16, 2021	Obtain Preliminary Order
April 16, 2021	Commencement of the Final Marketing Phase
April 20, 2021	Payment of second deposit by Landa (first deposit already paid)
May 7, 2021 (being 15 business days following commencement of the Final Marketing Phase)	End of the Final Marketing Phase
May 28, 2021 (being 15 business days after the Final Marketing Phase)	Conditions removal deadline if Superior Offers are received by May 7, 2021 **or** Granting of the Vesting Order in relation to Landa PSA if no Superior Offers are received

25. The Landa PSA was approved by this Honourable Court on Friday, April 16, 2021. On Monday, April 19, 2021, the Monitor distributed a letter which described the Final Marketing Process (the "**Final Process Letter**") to eight parties who expressed interest in an acquisition or investment in the Terrace House in the SISP approved by this Honourable Court. The Final Process Letter, amongst other things, updated parties on the SISP and sought cash bids on or before Friday, May 7, 2021 (the "**Bid Deadline**"). A template copy of the Final Process Letter is attached hereto as **Appendix "A"**.

26. The Monitor received two (2) bids on or before the Bid Deadline (the "**Final Process Offers**"). The Monitor notes that each of these offers included a consideration that was higher than the Landa PSA Purchase Price. Copies of the Final Process Offers will be provided to the Court

with a confidential supplement to this Sixth Report (the "**Confidential Supplement**"). A sealing order will be sought in connection with the Confidential Supplement in order to maintain confidentiality respecting to commercially sensitive terms and to maintain the integrity of the SISP.

27. The Landa PSA required the Monitor, within a reasonable amount of time, to inform Landa as to whether a Superior Offer was received from the Final Marketing Phase. In order to be determined as a Superior Offer, any conditions of such offer must have been capable of being satisfied or waived by May 31, 2021.

28. The Monitor in the week ended May 14, 2021:

   a) reviewed the Final Process Offers with CMLS and Aviva (i.e. the Secured Creditors); and

   b) discussed the Final Process Orders with each offeror to confirm the nature, specifics and risks of closing.

29. Through this process, and given the Monitor's obligation to respond to Landa in a reasonable period of time, the Monitor selected the Final Process Offer (the "**Solterra Offer**") submitted by Solterra Acquisitions Corp ("**Solterra**") as a Superior Offer to the Landa PSA. This selection was primarily based on the premise that the Solterra Offer was unconditional and supported by CMLS; whereas the other Final Process Offer was not.

THE SOLTERRA PSA

30. On May 14, 2021, the Monitor (on behalf of the Petitioners and subject to Court approval) and Solterra executed a purchase and sale agreement (the "**Solterra PSA**") for the acquisition of the Terrace House Project (the "**Solterra Transaction**"), the key terms of which include the following:

a) a confidential Purchase Price in excess of the combined Purchase Price and Break Fee contemplated in the Landa PSA payable in cash and not contingent upon financing;

b) payment of deposits as follows:

    i. a First Deposit of approximately 1% of the Purchase Price to be paid within two business days;

    ii. a Second Deposit of approximately 4% of the Purchase Price to be paid within five business after execution of the Solterra PSA; and

    iii. a Third Deposit of approximately 5% of the Purchase Price to be paid on Court Approval.

c) a "**Cost Reimbursement**" for out of pocket professional expenses up to a maximum of $50,000 should this Honourable Court approve a different offer (subject to the approval of the Cost Reimbursement being at the discretion of this Honourable Court); and

d) an "**Outside Closing Date**" no later than September 15, 2021.

31. The Monitor notes that Solterra has paid the First Deposit and the Second Deposit referenced above.

32. A copy of the Solterra PSA, redacted for such information relating to the Purchase Price (and such other information that could be used to perform a reverse calculation of the Purchase Price), is attached hereto as **Appendix "B"**. A copy of the unredacted Solterra PSA will be provided to the Court in the Confidential Supplement.

MONITOR'S COMMENTS ON THE PROCESS RESULTING IN THE SOLTERRA SPA

33. Paragraphs 19 – 28 of the Third Report dated November 27, 2020 provide extensive detail on the Monitor's administration of the two (2) phased SISP approved by this Honourable Court. In summary, the Monitor:

a) solicited the Terrace House Project to approximately 670 potential bidders, including local, national and international strategic and financial parties and real estate developers;

b) retained CBRE Limited in a limited capacity to market the Terrace House Project to its investor network in Asia as well as a newspaper advertisement that was published in a Hong Kong newspaper, the South China Morning Post;

c) populated an electronic data room (the "**Data Room**") with key financial, corporate, operational and other information including construction drawings, consultant reports and other business documents relevant to the Terrace House Project for Prospective Parties to evaluate following the signing of a CA; and

d) short-listed six (6) "**Qualified Offerors**" to participate in Phase II of the SISP and provided those parties a period of approximately six (6) weeks to acquire or refinance the Terrace House Project (those parties which submitted the offers, the "**Qualified Offerors**").

34. The Monitor received six (6) Phase II Offers from the Qualified Offerors (the "**Phase II Bids**") and filed copies of these offers under seal a Confidential Supplement to the November 27, 2020 Third Report.

35. Following consultation with the Secured Creditors, the Monitor executed the Bosa Bid Offer Agreement on behalf of the Petitioners with Bosa. The execution of the Bosa Bid Offer Agreement was approved by this Honourable Court on December 1, 2020.

36. The Fourth Report describes that on February 16, 2021, Bosa provided the Monitor with the Confidential Feasibility Study on the Terrace House Project and put forward a proposal that varied from the Bosa Bid Offer Agreement; and accordingly, the Monitor in consultation with CMLS did not advance the Bosa Bid Offer Agreement to a definitive agreement.

37. Paragraphs 23 to 29 above describe the conduct of the Final Marketing Process by the Monitor that resulted in the Solterra SPA.

38. The original SISP and the Landa SPA which allowed for the Final Marketing Process were both approved by this Honourable Court.

39. Moreover, the Monitor consulted extensively with the Secured Creditors through the SISP and the Final Marketing Process.

40. The SISP together with the Final Marketing Period occurred over a period of approximately ten (10) months and the Monitor is satisfied that the Terrace House Project has been more than adequately exposed to the market.

41. The Monitor is of the view that the consideration under the Solterra Transaction is fair and reasonable, taking into account the canvassing of the market, unique design and construction challenges associated with the Terrace House Project, and the liquidity issues of the Petitioners.

VESTING ORDERS SOUGHT

42. The Solterra PSA contemplates two scenarios to complete and acquisition of the Terrace House Project:

    a) a share purchase to acquire the shares of the General Partner (i.e. the Bare Trustee) free and clear of encumbrances and liabilities by way of an RVO; or

b) should this Honourable Court not grant an RVO, by way of an asset purchase facilitated through an AVO.

The Proposed RVO

43. The Solterra PSA contemplates that this Honourable Court grant an RVO to facilitate the completion of the sale of the Terrace House Project by way of a share sale of the General Partner. All capitalized terms used herein that are undefined have the meanings ascribed thereto in the Solterra PSA.

44. The contemplated RVO provides for the following to occur on the closing of the Solterra Transaction:

a) a newly formed shell company, "**ShellCo**", shall be added as a Petitioner in these CCAA proceedings;

b) all of the General Partner's right, title and interest in and to the Excluded Assets shall be transferred and vested in ShellCo;

c) all Contracts (other than the Approved Contracts), Encumbrances (other than the Permitted Encumbrances), and Liability of the General Partner shall be transferred to ShellCo and the General Partner shall be released from and in respect of all obligations of the Contracts, Encumbrances and Liability;

d) all of the Limited Partnership's right, title and interest in and to the following assets and properties shall be transferred from the Limited Partnership to the General Partner:

i. the Property;

ii. the Chattels;

iii. the Approved Contracts;

iv. the Title Contracts;

v. the Plants, Permits and Approvals;

vi. the Warranties;

vii. the Intellectual Property, subject to the terms of the Solterra PSA;

viii. all insurance and new home warranties obtained in connection with the Project; and

ix. all marketing materials prepared in connection with the Project.

e) Solterra shall pay the balance of the Purchase Price, less any deposits already paid to Bennett Jones LLP (the "**Vendor's Solicitors**");

f) all of the General Partner's rights, title and interest in the Purchase Assets shall vest in Solterra free and clear of any security interests, Contracts (other than the Approved Contracts), Encumbrances (other than the Permitted Encumbrances), and Liability; and

g) the General Partner shall cease to be a Petitioner in these CCAA proceedings leaving Evergreen LP and ShellCo as the Petitioners.

45. Should this Honourable Court grant the contemplated RVO, the Monitor, on behalf of the Petitioners, will work with the Purchaser and the other parties of the Approved Contracts to assignment these contracts, to the extent possible, to the Purchaser. Prior to the Closing Date, the Monitor, on behalf of the Petitioners, will cancel, disclaim or terminate all Contracts other than the Approved Contracts.

46. Pre-sale contracts are not a Contract and the right, title and interest in the Pre-Sale Contracts are not be transferred to the General Partner.

47. Should this Honourable Court refuse to grant the RVO, the Purchase Price shall be adjusted on a dollar-for-dollar basis by the PTT that will be payable should a transfer of title to the Lands occur; and accordingly the Monitor is of the view that the sale of the General Partner pursuant to a RVO will result in a materially higher recovery to creditors.

48. The Monitor notes that the Solterra SPA does not result in a full recovery to the Construction Lender after the repayment of the DIP Facility and the Administration Charge. The estimated indebtedness of CMLS as of the date of this Sixth Report is approximately $21.1 million. The Purchase Price contemplated in the Landa PSA is insufficient to repay CMLS in full for their Construction Loan. The shortfall to be realized by CMLS on the repayment of their Construction Loan will be further increased should there be a transfer of title resulting in the payment of PTT.

49. Moreover, an RVO will enable the Purchaser to preserve a number of key agreements including a "**Building Permit**" issued by the City of Vancouver ("**COV**") and other agreements in order to carry on and complete construction of the Terrace House Projects.

50. Accordingly, it is the Monitor's view that completing the transaction under the Solterra PSA by way of an RVO is preferable to an AVO.

The Alternative AVO

51. Should this Honourable Court decide not grant the proposed RVO, the Solterra PSA contemplates the Petitioners seeking this Honourable Court to grant an AVO to facilitate the delivery of the Terrace House Project to Solterra. All capitalized terms used herein that are undefined have the meanings ascribed thereto in the Solterra PSA.

52. Pursuant to the Solterra PSA, should this Honourable Court not grant an RVO, the Purchase Price will be reduced by the amount of the Property Transfer Tax payable by the Purchase on transfer of the Property.

53. The Solterra PSA contemplates that Solterra shall acquire all right, title and interest, in and to the following assets and properties of the Petitioners by way of an AVO:

a) the Property;

b) the Chattels;

c) the Approved Contracts;

d) the Title Contracts;

e) the Plants, Permits and Approvals;

f) the Warranties;

g) the Intellectual Property, subject to the terms of the Solterra SPA;

h) all insurance and new home warranties obtained in connection with the Project; and

i) all marketing materials prepared in connection with the Project.

SIXTH CASH FLOW FORECAST

54. The Monitor, on behalf of the Petitioners, has prepared a weekly cash flow projection (the “**Sixth Report Forecast**”) for the period of May 15, 2021 to September 30, 2021 (the “**Sixth Report Cash Flow Period**”) being the approximate timing of the Outside Closing Date.

55. A copy of the Sixth Report Forecast along with its notes and assumptions are attached hereto as **Appendix “C”** and is summarized and compared to actual expenses incurred below:

	Forecast	Actual	Variance	Forecast
	April 3, 2021 to May 14, 2021			May 15 to Sept 30
Beginning Cash	**27,219**	**27,219**	**-**	**34,039**
Receipts	**252,474**	**218,335**	**(34,139)**	**46,456**
Disbursements	**(383,584)**	**(211,515)**	**172,069**	**(626,321)**
Insurance	(76,470)	(76,470)	-	(76,470)
Site preservation	(19,018)	(23,256)	(4,238)	(45,639)
Glass storage	(13,098)	(13,098)	-	(26,196)
Consultants – city requirements	(3,721)	(3,411)	310	(6,125)
Crane lease	(16,170)	(16,170)	-	(32,340)
Formwork rentals	-	-	-	(60,423)
Permit costs	(1,476)	(1,476)	-	(3,000)
General, admin & misc	(36,654)	(26,325)	10,329	(51,096)
Contingency	(37,500)	-	37,500	(19,000)
Restructuring costs	(151,448)	(51,309)	100,139	(204,679)
DIP interest & fee payment	(28,029)	-	28,029	(101,353)
Total Cash before DIP Financing	**(103,891)**	**34,039**	**137,930**	**(545,826)**
DIP Financing Draw	100,000	-	(100,000)	550,000
Ending Cash after DIP Financing	**(3,891)**	**34,039**	**37,930**	**4,174**

56. Broadly speaking, the positive variance in disbursements noted above is attributable to timing differences and spending restraint and timing differences with payment of professional fees.

57. Cash receipts contemplated in the Sixth Report Forecast are comprised of an estimated GST refund of $46,456.

58. Restructuring costs contemplated in the Sixth Report Forecast include the payment of professional fees of the Monitor, the Monitor’s legal counsel, and the Petitioner’s legal counsel some of which relate to services already rendered.

59. The Fifth Report Forecast contemplates payments of $76,470 for insurance premiums for an extension of the policies from June 30, 2021 to September 30, 2021.

60. The Fifth Report Forecast does not contemplate any cash outlay for construction costs, other than those required for site preservation.

THE DIP FACILITY

61. On June 8, 2020, this Honourable Court approved a "**Commitment Letter**" issued by the DIP Lender to provide the DIP Facility to the Petitioners. The maximum amount permitted to be borrowed under the Commitment Letter is $1,500,000 unless permitted by further order of this Court. A related charge in the same amount (the "**DIP Lender's Charge**") was granted by this Honourable Court with respect to the DIP Facility.

62. To date, the Petitioners have drawn $1.25 million under the existing approved DIP Facility of $1,500,000. The Sixth Report Forecast that is summarized above projects that the Petitioners will require continued access to the DIP Facility in the gross amount of $1,800,000; and accordingly, the Monitor, on behalf of the Petitioners, is seeking an Order which authorizes the Petitioners to borrow up to $1,500,000 under the DIP Facility and to increase the DIP Charge by $300,000 to $1,800,000.

63. The Monitor has confirmed with the DIP Lender that, conditional upon a detailed review and approval of the Sixth Report Forecast, it supports providing enough time and financing necessary for the Monitor to complete the Solterra PSA and is prepared to enter into amendment to the DIP Commitment Letter and DIP Facility Documentation (the "**DIP Amendments**") to accommodate the necessary borrowings at same or similar borrowing terms.

REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

64. The Stay Period is currently set to expire on June 11, 2021. The Monitor on behalf of the Petitioners is requesting an extension of the Stay Period until September 30, 2021, being the approximate anticipated timeframe for the completion of the Solterra SPA.

65. The Monitor has considered the onus that resides with the Petitioners to demonstrate that an extension of the Stay of Proceedings by this Honourable Court is warranted, having regard to:

a) the circumstances that justify the making of an extension order;

b) the good faith efforts of the Petitioners to effect the restructuring; and

c) the due diligence with which the Petitioners are advancing the restructuring.

Circumstances that justify the extension sought

66. In the Monitor's view, the extension of the Stay of Proceedings is necessary in order to:

a) to seek the close of the Solterra Transaction should this Honourable Court grant an order approving the Solterra PSA; and

b) maintain operational control and preserve the Terrace House Project.

67. Moreover, as is depicted in the Sixth Report Cash Flow Forecast, the Monitor projects that the Petitioners will have sufficient liquidity and cash on hand to fund their ongoing obligations through September 30, 2021 should this Honourable Court grant an order authorizing the Petitioners to borrow up to $1,800,000 under the DIP Facility and increasing the DIP Lender's Charge to this same amount.

Good Faith Efforts and Due Diligence

68. The Monitor on behalf of the Petitioners has working in good faith and with due diligence on a plan to identify, if possible, a buyer or investor for the Terrace House Project.

69. The Petitioners have complied with all of the requirements under the CCAA, as well as the various orders granted by this Honourable Court in this proceeding.

70. For the foregoing reasons, the Monitor supports the Petitioners' request for an order extending the Stay Period to September 30, 2021.

CONCLUSIONS AND RECOMMENDATIONS

71. Based on the foregoing, the Monitor recommends that this Honourable Court grant Order(s) approving the following:

a) extending the Stay Period from June 11, 2021 to September 30, 2021;

b) increasing the DIP Lender's Charge to $1,800,000;

c) approving the Solterra PSA; and

d) approving a sealing order with respect to the Confidential Supplement.

All of which is respectfully submitted this 20th day of May, 2021.

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

April 19, 2021

To: [•]

Dear: [•]

Re: Terrace House Sale and Investment Solicitation Process ("SISP")

We thank you for your past interest in the Terrace House Project and write this letter to: a) provide you with an update on the SISP, and b) re-solicit your interest acquiring the project.

The Monitor previously entered into an agreement with another party (the "**Selected Bidder**") to acquire the Terrace House project (the "**Bid Offer**"). The Bid Offer was approved by the Court on December 1, 2020 and provided the Selected Bidder with a 75-day due diligence period (the "**Due Diligence Period**"). The Bid Offer did not advance to a Formal Agreement.

The Monitor, in consultation with the Terrace House Project's Construction Lender, subsequently entered into a binding purchase and sale agreement with another purchaser (the "**Binding PSA**") which allows further marketing of, and negotiations in connection with, the project (the "**Final Marketing Phase**"). The purchase price of the Binding PSA is being kept confidential. Parties are encouraged to put forward their best **cash** offers that may be superior (a "**Superior Bid**") to the Binding PSA.

Since we last engaged with you, the Monitor has supplemented the electronic data room with additional information on Terrace House Project to assist you in furthering your diligence to submit a cash offer, including:

- Architectural Drawings;
- IFC Drawings including: mechanical, structural, electrical, landscape, among others;
- Shop Drawings including: glazing, mass timber, among others; and
- Building Specifications.

The deadline for the submission of cash offers is **Friday, May 7, 2021 at 5:00 PM** Pacific Standard Time (the "**Deadline**").

If the offer you submit is determined to be a Superior Bid to the Binding PSA, you would have a maximum of an additional fifteen (15) business days to remove any conditions. The Monitor (in consultation with Secured Creditors) will consider, among other matters, the following in determining whether your bid is a Superior Bid to the Binding PSA:

- Purchase Price;
- The nature and extent of any conditions to your bid; and
- Timeline to a closing

A form of purchase agreement has been posted to the data room to assist you in submitting an offer should you remain interested in an acquisition or investment in the Terrace House Project.

Building a better working world

The Monitor will make itself available to respond to all questions you might have and to coordinate site visits to assist with the due diligence required to enable to you to submit a cash offer on the best terms possible.

Please direct any questions to the undersigned.

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:

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

Jason Eckford, CPA, CIRP
Director

Appendix B

PURCHASE AND SALE AGREEMENT
(TERRACE HOUSE, VANCOUVER, BC)

THIS AGREEMENT is dated for reference May 13, 2021 and is made

AMONG:

PORT CAPITAL DEVELOPMENT (EV) INC., a British Columbia corporation formed under the *Business Corporations Act* (British Columbia)

(the "**GP**")

AND:

EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP, a British Columbia limited partnership formed under the *Partnership Act* (British Columbia)

(the "**Limited Partnership**" and, together with the GP, the "**Vendor**")

AND:

SOLTERRA ACQUISITIONS CORP., a British Columbia corporation formed under the Business Corporations Act (British Columbia)

(the "**Purchaser**")

BACKGROUND:

A. The Vendor is the legal and beneficial owner of the lands and premises legally described in Part 1 of Schedule A (the "**Lands**").

B. The Vendor obtained an initial order of the Supreme Court of British Columbia dated May 29, 2020 under the *Companies' Creditors Arrangement Act*, which among other things, commenced the CCAA Proceedings and granted an initial stay of proceedings in respect of the Vendor.

C. The Vendor agrees to sell and the Purchaser has agrees to purchase all of the Vendor's right, title, and interest in and to the Purchased Assets (as defined in this Agreement) on the terms and conditions set out in this Agreement.

FOR CONSIDERATION, the receipt and sufficiency of which is acknowledged by each of the parties, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions. In this Agreement:

(a) "**Approved Contracts**" means those Contracts entered into by the Vendor and any third party consultants in connection with the Project along with any other material Contracts which the Purchaser has approved by way of notice in writing to the Vendor on or before the Condition Date.

(b) "**Approval and Vesting Order**" has the meaning given to it in Section 8.4(b)(ii).

(c) "**Authorized Parties**" has the meaning given to it in Section 11.17.

(d) "**Balance**" has the meaning given to it in Section 2.2(c).

(e) "**Buildings**" means all buildings and improvements located on the Lands.

(f) "**Business Day**" means any day that is not a Saturday, Sunday, Boxing Day, Easter Monday or statutory holiday in British Columbia.

(g) "**Buyer**" means a purchaser of one or more condominium units at the Property pursuant to Pre-Sale Contracts.

(h) "**Buyer List**" means a list of all Buyers specifying the name of each Buyer (or if applicable any assignee or sublessee) as stated in the applicable Pre-Sale Contract, such Buyer's address and the amount of any deposits held by or on behalf of the Vendor in accordance such Pre-Sale Contract.

(i) "**CCAA Proceedings**" means the legal proceedings in the Court under the *Companies' Creditors Arrangement Act*, Vancouver Registry No. S-205095.

(j) "**Chattels**" means all of the personal property owned by the Vendor and used in connection with Project including without limitation, all fixtures, leasehold improvements, glass, personal property, plant, and equipment, inventory including spare parts, furniture whether moveable or built-in, computer hardware, kitchen equipment, tools and supplies, whether the same is located on the Lands or otherwise.

(k) "**Closing Date**" means the date that is the later of (i) September 15, 2021; (ii) the date that is 30 days after the granting of the Final Order; and (iii) the date that all applicable appeal periods in connection with the Final Order have expired.

(l) "**Closing Documents**" has the meaning given to it in Section 9.4.

(m) "**Condition Date**" means the date on which the conditions precedent set out in Section 8.1(a) are satisfied or waived.

(n) "**Consultant Reports**" means all consultant reports and studies that were commissioned by the Vendor in connection with the Project.

(o) "**Contracts**" means all contracts or agreements, other than Title Contracts and Pre-Sale Contracts, relating to the use or operation of the Property or any part thereof or the design, development and construction of the Project, including, without limitation, the consulting agreements in connection with the Property or any part thereof made by or on behalf of the Vendor relating to the Property.

(p) "**Court**" means the Supreme Court of British Columbia.

(q) "**Creditors**" means creditors of the Vendor.

(r) "**Delay Notice**" has the meaning given to it in Section 11.13.

(s) "**Deposit**" means the deposits referred to in Sections 2.2(a) through 2.2(d).

(t) "**Encumbrance**" means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, pledge, debenture, trust deed, assignment by way of security, security interest, conditional sales contract or similar interest or instrument charging, or creating a security interest in, the Purchased Assets or any part thereof or interest therein, and any agreement, lease, licence, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to or the ownership of the Purchased Assets or any part thereof or interest therein.

(u) "**ETA**" has the meaning given to it in Section 10.1.

(v) "**Execution Date**" means the date this Agreement is fully executed by all parties to the Agreement.

(w) "**Excluded Assets**" means: (i) all shares of capital stock or other equity interest in securities in any entity other than the Shares; (ii) any partnership interest in the Limited Partnership; (iii) Contracts which are not Approved Contracts; (iv) all Liability of the Vendor arising prior to the Closing Date including, but not limited to, Liability owed to lenders, service contractors or third parties of any kind including all Liability under the Approved Contracts or Plans, Permits and Approvals; (v) any Liability relating to or arising out of the Excluded Assets including, without limitation, Liability for terminating, not complying with or a defaulting under any Contract; (vi) any Liability of the Vendor for taxes resulting from the Vendor's sale of the Purchased Assets; (vii) all employees, employment agreements, executive personnel agreements, officer or director agreements, union contracts, collective agreements, employee wages, employee benefit plans or payments, pension obligations, employee tax withholding obligations, employee health or dental plan obligations, all grievances, arbitrations, employee complaints or claims, labour relations board actions or other employee proceedings and similar obligations of the Vendor; (viii) all Liability for payment of fees for operations of the Purchased Assets up to the Closing Date; (ix) any proceedings, claims or actions commenced in any court initiated against the Vendor or threatened against the Vendor; (x) the costs and expenses and Liability of the Vendor under the CCAA Proceedings; (xi) any Liability for a breach or non-compliance with any applicable law; (xii) the Liability of the Vendor under this Agreement and any other assets, property or obligations which pursuant to the terms and conditions of this Agreement, remain the property of the Vendor after the completion of the transactions contemplated herein including, without limitation, the rights of the Vendor under this Agreement; (xiii) any proceedings, claims or causes of action for the benefit of the Vendor; (xiv) all cash of the Vendor; (xv) Receivables; and (xvi) all Pre-Sale Contracts including, for greater certainty, all deposits provided pursuant to the Pre-Sale Contracts and all claims, causes of action or rights in relation to such deposits.

(x) "**Excusable Delay**" means any delay in the performance or observance by the Vendor or Purchaser of any obligation or act of the Vendor or Purchaser, as applicable, hereunder which occurs as a consequence of or is attributable to any circumstance which is not caused by any default or act of commission or omission of that party and which is beyond the reasonable control of that party, including without limiting the generality of the foregoing, strikes or labour or industrial disturbances (including lock-outs), civil disturbances, acts, orders, legislation, regulations, good faith compliance with an order, directive, guideline or other recommendation of any governmental or other public authorities (including, without limitation, health authorities or occupational safety authorities), acts of public enemies, war, riots, sabotage, blockades, embargoes, shortages of materials and suppliers, shortages of labour, lightning, earthquakes, fire, storms, pandemics, epidemics, quarantines and health emergencies, hurricanes, floods, wash-outs, explosions and acts of God, but excluding, for clarity, the financial circumstances of the Purchaser.

(y) "**Final Order**" has the meaning given to it in Section 8.4(b).

(z) "**Governmental Authority**" means (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise), (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government, (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions, and (iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

(aa) "**GST**" has the meaning given to it in Section 10.1.

(bb) "**GST Certificate**" has the meaning given to it in Section 10.1.

(cc) "**Intellectual Property**" means all intellectual property and proprietary rights of any kind in connection with the Project, including the "Terrace House" name, architectural design and instruments of service and all rights to the branding, logo and design in connection with the same.

(dd) "**Interim Period**" means the period commencing on the Execution Date until and including the Closing Date.

(ee) "**Land Title Office**" means the Land Title and Survey Authority of British Columbia, land title office applicable to the Lands.

(ff) "**Lands**" has the meaning given to it in Recital A.

(gg) "**Liability**" means any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed.

(hh) "**LP Agreement**" means the limited partnership agreement of Evergreen House Development Limited Partnership made as of June 30, 2014 and restated as of March 13, 2015 between those persons who from time to time execute the agreement and become a limited partner, as limited partners, and the GP, as general partner, as further amended and restated, modified or supplemented from time to time.

(ii) "**Material Loss**" means the loss or damage to or destruction of the Property or any part of it to such an extent that the replacement or repair of it cannot be substantially completed: (i) at a cost of less than $500,000.00; or (ii) within six (6) months of the occurrence.

(jj) "**Monitor**" means Ernst & Young Inc., in its capacity as monitor of the CCAA Proceedings or such other monitor or monitors as are appointed by the Court from time to time in connection with the CCAA Proceedings.

(kk) "**Order**" means an order of the Court.

(ll) "**Permitted Encumbrances**" means the Encumbrances set out in Part 2 of Schedule A.

(mm) "**Plans, Permits and Approvals**" means: (i) all plans and specifications pertaining to the construction of the Project, including, without limitation, all structural, architectural, mechanical, electrical, landscape and interior design and specifications for the Project; and (ii) all planning approvals, permits, licences, development agreements, crane swing, underpinning and airspace agreements with respect to the Project.

(nn) "**Pre-Sale Contracts**" means each of those agreements between the Vendor and a Buyer in respect of the purchase and sale of one or more condominium units at the Property. For greater certainty, a Pre-Sale Contract is not a Contract.

(oo) "**Project**" means the construction and development of the Building on the Lands.

(pp) "**Property**" means the Lands and the Buildings.

(qq) "**Purchase Price**" means subject to Section 5.4, [redacted], exclusive of any applicable taxes.

(rr) "**Purchased Assets**" means:

(i) in the event that a Reverse Vesting Order is granted by the Court:

(A) the Shares; and

(B) all of the Limited Partnership's right, title and interest, in and to the following assets and properties:

(I) the Property;

(II) the Chattels;

(III) the Approved Contracts;

(IV) the Title Contracts;

(V) the Plans, Permits and Approvals;

(VI) the Warranties;

(VII) subject to such transfer being approved by the necessary parties in accordance with Section 3.1(c)(i), the Intellectual Property;

(VIII) all insurance and new home warranties obtained in connection with the Project; and

(IX) all marketing materials prepared in connection with the Project,

excluding, for certainty, the Excluded Assets; or

(ii) in the event that an Approval and Vesting Order is granted by the Court:

(A) all of the Vendor's right, title and interest, in and to the following assets and properties:

(I) the Property;

(II) the Chattels;

(III) the Approved Contracts;

(IV) the Title Contracts;

(V) the Plans, Permits and Approvals;

(VI) the Warranties;

(VII) subject to such transfer being approved by the necessary parties in accordance with Section 3.1(c)(i), the Intellectual Property;

(VIII) all insurance and new home warranties obtained in connection with the Project; and

(IX) all marketing materials prepared in connection with the Project,

excluding, for certainty, the Excluded Assets.

(ss) "**Purchaser's Solicitors**" means Synergy Business Lawyers, LLP or such other firm or firms of solicitors or agents as are retained by the Purchaser from time to time and written notice of which is provided to the Vendor.

(tt) "**Receivables**" means the Vendor's interest in all receivables including, without limitation, receivables relating to amounts owed by a Buyer in connection with a Pre-Sale Contract, any grants, subsidies (including the Canada Emergency Wage Subsidy), tax relief or gifts or any other receivable.

(uu) "**Reverse Vesting Order**" has the meaning given to it in Section 8.4(b)(i).

(vv) "**Shares**" means all of the issued and outstanding shares in the capital of the GP.

(ww) "**ShellCo**" means that entity, appointed by the Vendor in connection with a Reverse Vesting Order, to which all Excluded Assets will be transferred by the Vendor in connection with the closing of the transactions contemplated herein and that will replace the GP in its role as general partner of the Limited Partnership. ShellCo will be a subsidiary of GP, brought into the CCAA Proceedings and subsequently assigned into bankruptcy.

(xx) "**Specified Date**" has the meaning given to it in Section 11.13.

(yy) "**Title Contracts**" means, collectively, those agreements and instruments affecting the Property or any part thereof, including without limitation, the Permitted Encumbrances and any municipal site plan and development agreements, crane swing, underpinning and airspace agreements, common use agreements and easement agreements, concession or other agreements with any governmental authority or other public authorities having jurisdiction, and any new agreements of similar nature respecting the Property or any part thereof (other than the Contracts or Approved Contracts). For greater certainty, a Title Contract is not a Contract.

(zz) "**Vendor's Solicitors**" means Bennett Jones LLP or such other firm or firms of solicitors or agents as are retained by the Vendor from time to time and written notice of which is provided to the Purchaser.

(aaa) "**Warranties**" means all subsisting warranties and guarantees in connection with the Project or any part thereof that are assignable without consent and in effect on the Closing Date.

ARTICLE 2 – PURCHASE AND SALE

2.1 Agreement of Purchase and Sale. Subject to the terms and conditions of this Agreement, the Vendor agrees to sell and the Purchaser agrees to purchase the Purchased Assets for the Purchase Price on the Closing Date free and clear of all Encumbrances, except for the Permitted Encumbrances.

2.2 Payment of Purchase Price. The Purchase Price for the Purchased Assets will be paid by the Purchaser as follows:

(a) by a first deposit of [redacted] already paid to the Vendor's Solicitors;

(b) by a second deposit of [redacted] paid to the Vendor's Solicitors within five (5) Business Days after the Execution Date;

(c) by a third deposit of [redacted] paid to the Vendor's Solicitors within two (2) Business Days after the Vendor obtaining the Approval and Vesting Order; and

(d) by payment of the balance (the "**Balance**") of the Purchase Price, as adjusted in accordance with Article 5, on the Closing Date as provided in Article 9.

2.3 Deposit. The Vendor shall cause the Vendor's Solicitors to: (i) deposit the Deposit in an interest bearing trust account promptly following receipt of the Deposit; and (ii) pay the Deposit and any interest that may accrue on it only as set out in this Agreement or as directed in writing by the Vendor and the Purchaser or as directed by a court of competent jurisdiction. The Vendor shall cause the Vendor's Solicitors to pay the Deposit to:

(a) the Vendor without interest (less the $10.00 paid by the Vendor to the Purchaser pursuant to Section 8.8):

(i) on account of the Purchase Price on the Closing Date as set out in Article 9; or

(ii) as liquidated damages upon the default of the Purchaser if the Purchaser is in default of its obligation to complete the transactions contemplated by this Agreement, unless such default is waived in writing by the Vendor and which payment shall be in full satisfaction of all claims the Vendor may have by reason of such default;

(b) the Purchaser with interest (less the $10.00 paid by the Purchaser to the Vendor pursuant to Section 8.3):

(i) if the Purchaser is not required to complete the transaction contemplated by this Agreement, promptly following the date on which the Purchaser becomes entitled not to complete the transactions contemplated by this Agreement;

(ii) upon the default of the Vendor without prejudice to any other right or remedy of the Purchaser, if the Vendor is in default of its obligation to complete the transactions contemplated by this Agreement, unless such default is waived in writing by the Purchaser and provided that the maximum aggregate liability of the Vendor in connection with such a default is limited and shall not exceed an amount equal to the Deposit; or

(iii) if any or all of the conditions set out in Sections 8.1 and 8.4 have not been satisfied or waived.

2.4 Allocation of Purchase Price. The parties agree that:

(a) in the event that a Reverse Vesting Order is granted, the Purchase Price shall be allocated among the Purchased Assets as follows: (i) [redacted] to the Shares; (ii) [redacted] to the Lands and Buildings; and (iii) [redacted] to the remaining Purchased Assets; and

(b) in the event that an Approval and Vesting Order is granted, the Purchase Price shall be allocated among the Purchased Assets as follows: (i [redacted] to the Lands and Buildings; and (ii) [redacted] to all other Purchased Assets.

ARTICLE 3 – GENERAL COVENANTS

3.1 Covenants of the Vendor. The Vendor:

(a) throughout the Interim Period, will upkeep and maintain the Property in its present condition, reasonable wear and tear excepted, and will manage the Property in a professional and diligent manner and as a careful and prudent owner would do in accordance with current practices in the CCAA Proceedings and in compliance with all applicable laws, regulations and orders;

(b) throughout the Interim Period, will maintain in full force and effect insurance coverage for fire, earthquake and all risks in respect of the Property as well as commercial liability coverage until closing on the Closing Date, in such amounts and on such terms as would a prudent owner;

(c) throughout the Interim Period, will use commercially reasonable efforts to:

(i) obtain all consents, approvals and authorizations that may be required in order to provide the Purchaser with the right to use Intellectual Property for the purposes of the marketing, development and construction of the Project as of the Closing Date;

(ii) obtain an extension of at least six months from the City of Vancouver in connection with the building permit for the Project; and

(iii) obtain reliance letters in favour of the Purchaser in connection with those Consultant Reports that the Purchaser identifies to the Vendor, in writing, not less than fifteen (15) Business Days prior to the Closing Date;

(d) will, as soon as reasonably possible following the Execution Date, deliver to the Purchaser a copy of the Buyer List;

(e) from the Execution Date until the satisfaction or waiver of all of the conditions precedent set out in Section 8.1(a), will not enter into any commitment or agreement or contract, or modify any material terms or terminate any of the Approved Contracts, Permitted Encumbrances, Title Contracts, Plans, Permits and Approvals, or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets without prior written notice to the Purchaser, and from the date of satisfaction or waiver by the Purchaser of all of the conditions precedent set out in Section 8.1(a) will not enter into any commitment or agreement or contract, or modify any material terms or terminate any of the Approved Contracts, Permitted Encumbrances, Title Contracts, Plans, Permits and Approvals, or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets without the prior written consent of the Purchaser, which the Purchaser may withhold in its sole discretion;

(f) will, on or prior to the Closing Date, cancel, disclaim or terminate at its expense all Contracts other than Approved Contracts;

(g) will take or cause to be taken all proper steps and actions and corporate proceedings on its part to enable the Vendor to vest a good and marketable title to the Purchased Assets in the Purchaser free and clear of all Encumbrances except for Permitted Encumbrances and to enable the Vendor to carry out the sale of the Purchased Assets and to execute and deliver this Agreement as valid and binding obligations of the Vendor;

(h) will promptly notify the Purchaser if the Vendor becomes aware that, after the date of this Agreement, any of its representations or warranties in this Agreement become untrue or incorrect or if any covenants, terms or conditions in this Agreement are breached or cannot be performed; and

(i) throughout the Interim Period, grant to the Purchaser and its authorized representatives the right to enter upon the Property during business hours upon reasonable notice for the purposes of carrying out such inspections, examinations, tests and surveys, including soil tests, as the Purchaser may deem necessary; provided that the Purchaser shall indemnify and save harmless the Vendor from any and all loss, cost or damage suffered as a direct result of the Purchaser exercising its rights pursuant to this clause.

ARTICLE 4 – RISK

4.1 Risk. The Purchased Assets will be at the risk of the Vendor until completion of closing on the Closing Date and thereafter at the risk of the Purchaser.

4.2 Material Loss Damage. If there is any Material Loss prior to the passing of risk as set out in Section 4.1, the Purchaser will, within fifteen (15) days following such Material Loss, by notice in writing at its option either:

(a) terminate this Agreement, in which case the Deposit together with accrued interest will be paid to the Purchaser and neither party will be under any further obligation to the other; or

(b) elect to complete the purchase of the Purchased Assets, in which case the insurance proceeds and the right to receive the proceeds of all insurance will be assigned by the Vendor to the Purchaser on the Closing Date and the Purchase Price shall be reduced by the amount of any insurance deductible that has not been paid by the Vendor.

Failure by the Purchaser to so elect within the period set out above will be deemed to be an election to complete the purchase of the Purchased Assets. The Vendor will promptly notify the Purchaser if it becomes aware of any Material Loss.

ARTICLE 5 – ADJUSTMENTS AND RELATED MATTERS

5.1 Adjustments. The Purchase Price payable by the Purchaser to the Vendor for the Purchased Assets will be subject to adjustment. All adjustments with respect to the Purchased Assets, including taxes, utilities, deposits and interest on deposits (if any), and other items normally adjusted between a vendor and purchaser in the sale of similar properties in British Columbia will be adjusted as of the Closing Date so that the Vendor will bear and pay all expenses and receive all income related to the Purchased Assets accruing prior to the Closing Date and the Purchaser will bear and pay all expenses and receive all income related to the Purchased Assets accruing on and after the Closing Date and the Purchase Price will be adjusted accordingly. The Vendor shall cause any water, gas, or electrical meter readings required to make the adjustments herein.

5.2 Statement of Adjustments. A statement of adjustments will be delivered to the Purchaser by the Vendor at least five (5) Business Days prior to the Closing Date and shall have annexed to it complete details of the calculations used by the Vendor to arrive at all debits and credits on the statement of adjustments. On request, the Vendor shall give the Purchaser access to the Vendor's working papers and backup materials in order to confirm the statement of adjustments.

5.3 Re-Adjustment Determination. The parties acknowledge and agree that there will be no re-adjustment after the Closing Date.

5.4 Purchase Price Reduction. In the event that an Approval and Vesting Order (rather than a Reverse Vesting Order) is granted by the Court, the parties agree that the Purchase Price shall be reduced by an amount equal to the amount of property transfer tax payable by the Purchaser in connection with the transfer of the Property to the Purchaser on the Closing Date.

ARTICLE 6 – POSSESSION

6.1 Possession Date. The Purchaser will, upon completion of the purchase and sale have possession of all Purchased Assets as of the Closing Date free and clear of all Encumbrances subject only to the Permitted Encumbrances.

6.2 Non-assignable Assets. If any of the Purchased Assets are not transferable without consent of a third party by the terms of the applicable instruments, the Vendor shall use commercially reasonable efforts to obtain such consent prior to the Closing Date and, if such consent is not obtained by the Closing Date, the Vendor shall use commercially reasonable efforts to obtain an Order in the CCAA Proceedings transferring or assigning, as applicable, such Purchased Assets to the Purchaser. For certainty, any failure to obtain the consent of any such third party will not constitute a default of the Vendor nor will it entitle the Purchaser to terminate this Agreement.

ARTICLE 7 – REPRESENTATIONS AND WARRANTIES

7.1 Vendor's Representations and Warranties. The Vendor represents and warrants to the Purchaser, regardless of any independent investigations that the Purchaser may cause to be made, that as at the date of this Agreement:

(a) the Limited Partnership is a limited partnership formed under the *Partnership Act* (British Columbia) and has the power and authority to own the Purchased Assets, to enter into this Agreement, and to perform its obligations under this Agreement, all of which have been authorized by all necessary proceedings;

(b) the GP is a corporation formed under the *Business Corporations Act* (British Columbia) and has the power and authority to own the Purchased Assets, in its capacity as general partner of the Limited Partnership or in its own capacity, as applicable, to enter into this Agreement, and to perform its obligations under this Agreement, all of which have been authorized by all necessary proceedings;

(c) the Limited Partnership is a Canadian partnership within the meaning of the *Income Tax Act* (Canada); and

(d) the GP is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

7.2 Survival of Vendor's Representations and Warranties. The representations and warranties contained in Section 7.1 will survive the Closing Date and will continue in full force and effect for the benefit of the Purchaser after the Closing Date for a period of 12 months, unless otherwise expressly indicated herein, notwithstanding any independent inquiry or investigation by the Purchaser or the satisfaction or waiver by the Purchaser of any condition set out in Section 8.1, the subject matter of which is contained in a representation or warranty in this Agreement.

7.3 Purchaser's Representations and Warranties. The Purchaser represents and warrants to the Vendor, regardless of any independent investigation that the Vendor may cause to be made that:

(a) the Purchaser is a corporation incorporated and existing under the laws of British Columbia;

(b) the Purchaser has the corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;

(c) there is no action or proceeding pending or to the best of the Purchaser's knowledge, threatened against the Purchaser before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser's ability to perform the Purchaser's obligations hereunder;

(d) neither the Purchaser's entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject;

(e) the Purchaser is not a non-Canadian for the purposes of the *Investment Canada Act* (Canada); and

(f) the Purchaser is not a foreign entity for the purposes of the *Property Transfer Tax Act* (British Columbia).

7.4 Survival of Purchaser's Representations and Warranties. The representations and warranties contained in Section 7.3 will survive the Closing Date and will continue in full force and effect for the benefit of the Vendor after the Closing Date for a period of 12 months, unless otherwise expressly indicated herein, notwithstanding any independent inquiry or investigation by the Vendor.

7.5 "As Is" Purchase. The Purchaser acknowledges and agrees that:

(a) in entering into this Agreement and completing the transactions contemplated herein, except for the representations and warranties of the Vendor set out in Section 7.1, the Purchaser has relied and will continue to rely solely upon its own due diligence with respect to the Purchased Assets;

(b) the Purchased Assets are being purchased by the Purchaser on an "as is, where is" basis as of the Closing Date and without any representation or warranty, whether expressed or implied by this Agreement or at law, by the Vendor of any nature or kind whatsoever respecting any of the Purchased Assets or any matter relating thereto, except for the representations and warranties of the Vendor set out in Section 7.1 or in the Closing Documents;

(c) except for the representations and warranties of the Vendor set out in Section 7.1 or in the Closing Documents, the Vendor makes no representations or warranties concerning any statements made or information delivered or made available to the Purchaser (whether by the Vendor, the Vendor's Solicitors or any other agents, representatives or advisors of the Vendor or any of their respective affiliates, or any other person) with respect to the Purchased Assets, whether included as part of any due diligence maters or any other information disclosed to the Purchaser or otherwise; and

(d) except as otherwise expressly provided for in this Agreement or in the Closing Documents, the Vendor shall have no obligations or responsibility to the Purchaser after the Closing Date with respect to any matter relating to the Purchased Assets or the condition thereof.

The provisions of this Section shall survive closing or the termination of this Agreement.

ARTICLE 8 – CONDITIONS PRECEDENT

8.1 Purchaser's Conditions. The Purchaser's obligation to complete the transactions contemplated by this Agreement is subject to the following conditions, all of which are for the sole benefit of the Purchaser:

(a) on the Closing Date, the representations and warranties of the Vendor contained in Section 7.1 will be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Closing Date; and

(b) on the Closing Date, all of the covenants and agreements of the Vendor to be performed on or before the Closing Date pursuant to this Agreement will have been duly performed in all material respects.

If the conditions set out in this Section have not been satisfied by notice in writing from the Purchaser to the Vendor, by the times specified in this Section, the Purchaser may by notice in writing to the Vendor waive satisfaction of such conditions, in whole or in part, without prejudice to any of its other rights under this Agreement and complete the purchase of the Purchased Assets or elect not to complete.

8.2 Satisfaction and Waiver of Purchaser's Conditions. The parties agree that if the Purchaser does not give notice to the Vendor by the Condition Date that the condition precedent set out in Section 8.1(a) is satisfied or waived, then this Agreement will automatically be null and void upon the expiry of such time and the Deposit shall be returned to the Purchaser with interest (if any).

8.3 Consideration for and Nature of Conditions. A portion of the Deposit in the amount of $10.00 represents non-refundable consideration paid by the Purchaser for its right to satisfy or waive the conditions set out in Section 8.1 and Section 8.4 and the Vendor acknowledges the sufficiency in all respects of such consideration. Although the Purchaser's obligation to complete the transaction contemplated by this Agreement is subject to satisfaction or waiver of conditions, those conditions are not conditions to there being a binding agreement of purchase and sale between the parties respecting the Purchased Assets and until the time limited for the satisfaction or waiver of such conditions has expired, this Agreement is not void, voidable, revocable or, except for default, otherwise capable of being terminated by either of the parties.

8.4 Mutual Conditions. The obligation of each of the parties to complete the transactions contemplated by this Agreement is subject to the following mutual conditions, all of which are for the benefit of both the Vendor and the Purchaser:

(a) [Intentionally Deleted];

(b) on or before 5:00 p.m. (Vancouver time) on June 15, 2021, the Vendor has obtained (at the sole cost of the Vendor) an Order or Orders (the "**Final Order**") either:

(i) (A) adding ShellCo as a debtor to the CCAA Proceedings; (B) replacing the GP as the general partner of the Limited Partnership with ShellCo; (C) transferring and assigning all of the Excluded Assets to ShellCo; (D) vesting title to the Purchased Assets (including, without limitation, the Shares) in and to the Purchaser, free and clear of all Encumbrances except the Permitted Encumbrances; and (E) approving this Agreement and implementing the transactions contemplated herein in accordance with its terms (the "**Reverse Vesting Order**"); or

(ii) (A) vesting title to the Purchased Assets (which, for certainty, do not include any shares of the GP) in and to the Purchaser, free and clear of all Encumbrances except the Permitted Encumbrances and in a form registrable in the Land Title Office; and (B) approving this Agreement and implementing the transactions contemplated herein in accordance with its terms (the "**Approval and Vesting Order**").

8.5 Satisfaction of Mutual Conditions. The parties agree that if each of the Purchaser and the Vendor do not give notice to the other party by the time limited in Section 8.4(b) that the conditions in those Sections are satisfied, then this Agreement will automatically be null and void upon the expiry of such time and the Deposit shall be returned to the Purchaser with interest (if any). For certainty, a failure to satisfy any of the conditions set out in Section 8.4 shall not constitute a default of either party. In the event that an Order is granted ordering the sale of the Purchased Assets to a party other than the Purchaser, the Vendor shall pay to the Purchaser the Purchaser's reasonable costs incurred to the date of the Order up to a maximum of Fifty Thousand Dollars ($50,000.00), within ten (10) Business Days after the Vendor's receipt of proceeds of the sale of the Purchased Assets to such other party.

8.6 Vendor's Conditions. The Vendor's obligation to complete the transactions contemplated by this Agreement is subject to the following conditions, all of which are for the sole benefit of the Vendor:

(a) on the Closing Date, the representations and warranties of the Purchaser contained in Section 7.3 will be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Closing Date; and

(b) on the Closing Date, all of the covenants and agreements of the Purchaser to be performed on or before the Closing Date pursuant to this Agreement will have been duly performed in all material respects.

If the conditions set out in this Section have not been satisfied by notice in writing from the Vendor to the Purchaser, by the times specified in this Section, the Vendor may, with the written consent of the Monitor, by notice in writing to the Purchaser waive satisfaction of such conditions, in whole or in part, without prejudice to any of its other rights under this Agreement and complete the sale of the Purchased Assets or elect not to complete.

8.7 [Intentionally Deleted].

8.8 Consideration for and Nature of Conditions. The Vendor hereby pays to the Purchaser the amount of $10.00 representing non-refundable consideration paid by the Vendor for its right to satisfy or waive the conditions set out in Sections 8.4 and 8.6 and the Purchaser acknowledges the sufficiency in all respects of such consideration. Although the Vendor's obligation to complete the transaction contemplated by this Agreement is subject to satisfaction or waiver of conditions, those conditions are not conditions to there being a binding agreement of purchase and sale between the parties respecting the Purchased Assets and until the time limited for the satisfaction or waiver of such conditions has expired, this Agreement is not void, voidable, revocable or, except for default, otherwise capable of being terminated by either of the parties.

8.9 CCAA Proceedings. The Purchaser shall support the application for the Final Order. Each of the parties agrees that the Vendor shall seek a Reverse Vesting Order from the Court as a first option and, failing that, the Vendor shall seek an Approval and Vesting Order from the Court. In the event any variation is sought or leave to appeal is sought, an appeal is taken or a stay pending appeal is requested with respect to the Final Order, the Vendor shall promptly notify the Purchaser of such application for leave to appeal, appeal or stay request and shall promptly provide to the Purchaser a copy of the related notice(s) or order(s).

8.10 Form of Order. The Vendor or its solicitors will provide the Purchaser and its solicitors with a draft copy of all Orders proposed to be obtained in connection with this Agreement for review and comment at least two (2) days prior to the date that the Vendor applies for such Order(s), and, provided that such amendments are consistent with the terms set out herein, the Vendor will incorporate any reasonable amendments requested by the Purchaser or its solicitors.

ARTICLE 9 – CLOSING

9.1 Closing. The closing of the purchase and sale of the Purchased Assets will commence at 10:00 a.m. (Vancouver time) on the Closing Date as a virtual closing with documents to be exchanged electronically, or at such other time on the Closing Date or in such other format as may be agreed in writing by the Vendor and the Purchaser.

9.2 Vendor's Closing Documents. On or before the Closing Date, the Vendor will deliver, or cause the Vendor's Solicitors to deliver, to the Purchaser's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable and all in a form satisfactory to the Purchaser, acting reasonably:

(a) Court certified copy of the Final Order and any other Orders as are necessary, all in a form registrable in all necessary offices required to effect the transfer of the Purchased Assets;

(b) letters from legal counsel to the Vendor to the Land Title Survey Authority or other agency as may be required by the Final Order;

(c) a beneficial transfer conveying the beneficial interest in the Property to the Purchaser;

(d) an assignment and assumption of Approved Contracts, Plans, Permits and Approvals wherein the Purchaser assumes the rights and obligations under the Approved Contracts and Plans, Permits and Approvals as of the Closing Date and the Purchaser indemnifies the Vendor for all Liability under the Approved Contracts and Plans, Permits and Approvals arising after the completion of the transactions contemplated herein and the Vendor retains all Liability under the Approved Contracts and Plans, Permits and Approvals arising prior to the Closing Date and indemnifies the Purchaser for all Liability under the Approved Contracts and Plans, Permits and Approvals arising prior to the completion of the transactions contemplated herein;

(e) an assignment and assumption of Permitted Encumbrances and Title Contracts;

(f) an assignment and assumption of the Vendor's right, title and interest, in and to: (i) subject to such transfer being approved by the necessary parties in accordance with Section 3.1(c)(i), the Intellectual Property; (ii) all insurance and new home warranties obtained in connection with the Project; and (iii) all marketing materials prepared in connection with the Project;

(g) a bill of sale conveying the Chattels to the Purchaser;

(h) a statement of adjustments pursuant to Article 5;

(i) an assignment of all of the Vendor's rights under any and all Warranties wherein the Purchaser acquires all rights under the Warranties whether arising prior to or after the Closing Date;

(j) in the event that a Reverse Vesting Order is granted: (i) a transfer of the Shares together with all resolutions, certificates and acknowledgements of the Limited

Partnership and the GP as may be reasonably required by the Purchaser to effectively transfer the Shares; and (ii) an amendment to the LP Agreement effecting the change in the general partner from the GP to ShellCo, together with all supporting resolutions, certificates and acknowledgements of the Limited Partnership and the GP as may be reasonably required by the Purchaser;

(k) a certificate dated as of the Closing Date of a senior officer of the GP, in its own capacity and as general partner of the Limited Partnership, having knowledge of the facts certifying, on behalf of the GP and the Limited Partnership and without personal liability, that the representations and warranties set out in Section 7.1 are true and correct in all material respects as at the Closing Date and that the Vendor's covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects;

(l) a notice from the Vendor to the other parties under the Approved Contracts giving notice of the sale of the Property;

(m) keys to all units and facilities of the Property to the extent required by the Purchaser; and

(n) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

9.3 Purchaser's Closing Documents. On or before the Closing Date, the Purchaser will deliver, or cause the Purchaser's Solicitors to deliver, to the Vendor's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable:

(a) an assignment and assumption of Approved Contracts, Plans, Permits and Approvals;

(b) an assignment and assumption of Permitted Encumbrances and Title Contracts;

(c) an assignment and assumption of the Vendor's right, title and interest, in and to: (i) subject to such transfer being approved by the necessary parties in accordance with Section 3.1(c)(i), the Intellectual Property; (ii) all insurance and new home warranties obtained in connection with the Project; and (iii) all marketing materials prepared in connection with the Project;

(d) the GST Certificate;

(e) a certificate dated as of the Closing Date of a senior officer of the Purchaser having knowledge of the facts certifying, on behalf of the Purchaser and without personal liability, that the representations and warranties set out in Section 7.3 are true and correct in all material respects as at the Closing Date and that the Purchaser's covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects; and

(f) such other documents and assurances as may be reasonably required by the Vendor to give full effect to the intent and meaning of this Agreement.

9.4 Preparation and Form of Documents. The closing documents contemplated in Sections 9.2 and 9.3 (collectively, the "**Closing Documents**"), other than the statement of adjustments in Article 5, the materials required in connection with a Reverse Vesting Order set out in Section 9.2(j), if applicable, and the Final Order, will be prepared by the Purchaser's Solicitors and delivered to the Vendor's Solicitors at least five (5) Business Days before the Closing Date. The Closing Documents (including the statement of adjustments in Article 5, the materials required in connection with a Reverse Vesting Order set out in Section 9.2(j), if applicable, and the Final Order) will be in a form and substance reasonably satisfactory to the parties. The Vendor shall provide the Purchaser with drafts of all materials to be filed with the Court no later than two (2) days prior to the date of any hearing of the Court regarding the Final Order.

9.5 Payment into Trust. On or before the Closing Date, the Purchaser will pay to the Purchaser's Solicitors in trust, by way of certified cheque, bank draft, or wire transfer, funds in an amount equal to the Balance, as adjusted, less any amount to be advanced to the Purchaser on the Closing Date under any mortgage financing arranged by the Purchaser, as further described in Section 9.9.

9.6 Registration. On the Closing Date, after receipt by the Purchaser's Solicitors of the Closing Documents set out in Section 9.2 and the funds as set out in Section 9.5, and after receipt by the Vendor's Solicitors of the Closing Documents set out in Section 9.3, the Purchaser will cause the Purchaser's Solicitors to file the Final Order in the Land Title Office and any security documents applicable to any mortgage financing arranged by the Purchaser, as further described in Section 9.9.

9.7 Closing Escrow. All Closing Documents, funds, and other items delivered by the parties, except the Final Order (which will be dealt with pursuant to Section 9.6), will be held in trust by the Vendor's Solicitors and the Purchaser's Solicitors until completion of closing on the Closing Date in accordance with this Agreement. Promptly after the filings set out in Section 9.6 and a satisfactory post filing for registration search has been received by the Purchaser's Solicitors showing that title to the Property will be registered in the name of the Purchaser free and clear of all Encumbrances except for the Permitted Encumbrances or any Encumbrances granted by or claimed through the Purchaser, the Closing Documents will be released to the appropriate parties and the Purchaser will cause the Purchaser's Solicitors to pay the Purchase Price, as adjusted, to the Vendor's Solicitors by way of wire transfer.

9.8 Concurrent Requirements. It is a condition of the closing that all matters of payment, execution and delivery of documents by each party to the other and the filing of documents in the Land Title Office as set out in Section 9.6, all pursuant to the terms of this Agreement, will be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the closing until everything required as a condition precedent at the closing has been paid, executed and delivered and all filings set out in Section 9.6 have been completed.

9.9 Purchaser's Financing. If the Purchaser is relying upon a new mortgage to finance the purchase of the Purchased Assets, the Purchaser, while still required to pay the Purchase Price on the Closing Date, may wait to pay the Purchase Price until after the Final Order and new mortgage documents have been filed in the Land Title Office and after receipt of the proceeds of such mortgage financing, but only if, before such filing, the Purchaser has:

(a) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage;

(b) fulfilled all the new mortgagee's conditions for funding except filing the mortgage for registration; and

(c) made available to the Vendor, a lawyer's undertaking to pay the Purchase Price upon the filing of the Final Order and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

9.10 Payment by Wire Transfer. Notwithstanding anything else contained herein, provided the Purchaser's Solicitors have initiated the wire transfer for the balance of the Purchase Price, as adjusted, to the Vendor's Solicitors on the Closing Date, and provided the Vendor's Solicitors with written confirmation thereof, the Purchaser will be deemed to have paid the balance of the Purchase Price, as adjusted, due to the Vendor if such amount is credited to the Vendor's Solicitors account by 11:00 a.m. (Vancouver time) on the first Business Day following the Closing Date without interest or penalty. If such amount is not received by 11:00 a.m. (Vancouver time) on the first Business Day following the Closing Date, the Purchaser will pay to the Vendor interest at the rate of the prime rate of interest designated from time to time by Royal Bank of Canada plus 3% per annum on such amount until such time as it is received by the Vendor.

9.11 Termination.

(a) Notwithstanding any other provision of this Agreement, if the transactions contemplated by this Agreement do not complete on or prior to September 30, 2021, other than as a result of the default of the Purchaser, then the Purchaser may terminate this Agreement with written notice delivered to the Vendor without any further liability and the Deposit and interest (if any) shall be returned to the Purchaser.

(b) Notwithstanding any other provision of this Agreement, if the transactions contemplated by this Agreement do not complete on or prior to September 30, 2021, other than as a result of the default of the Vendor, then the Vendor may terminate this Agreement with written notice delivered to the Purchaser without any further liability and the Deposit and interest (if any) shall be returned to the Purchaser.

ARTICLE 10 – TAXES

10.1 GST. The Purchaser represents and warrants to Vendor that it is and will be, as of the closing on the Closing Date, registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the "**ETA**") in accordance with the requirements of Subdivision D of Division V of the ETA and will assume responsibility to account for, report and remit any goods and services tax and harmonized sales tax (collectively, the "**GST**") payable under the ETA in connection with the transaction contemplated in this Agreement. On the Closing Date, the Purchaser will deliver to the Vendor a certificate (the "**GST Certificate**") of a senior officer of the Purchaser certifying, on behalf of the Purchaser and without personal liability (a) that the Purchaser is registered under Part IX of the ETA as of the Closing Date; (b) its registration number; and (c) that the Purchaser will account for, report and remit any GST payable in respect of the purchase of the Purchased Assets in accordance with the ETA. If the Purchaser delivers such GST Certificate, then the Purchaser will not be required to pay to the Vendor, and the Vendor will not be required to collect from the Purchaser nor report or remit, any GST in connection with the transaction contemplated in this Agreement. The Purchaser shall indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of this Section, the GST Certificate or any declaration made therein and such indemnity shall survive the completion of the transactions contemplated herein.

10.2 Provincial Sales Tax. The Purchaser acknowledges that it may be liable to pay provincial sales tax in respect of some or all of the Chattels and, if required, it will report and remit as required by applicable law any such sales tax that is due directly to the applicable taxing authority. The Purchaser shall indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability related to the Vendor's failure to account for, report and remit such provincial sales tax and such indemnity shall survive the completion of the transactions contemplated herein.

10.3 Tax Elections. Notwithstanding the above, the Vendor will cooperate with the Purchaser to execute any election available under applicable law that may reduce or defer the amount or due date of any GST or other tax payable by the Purchaser provided such election will not result in any increased cost or tax liability for the Vendor.

10.4 Other Taxes. The Purchaser shall be responsible for all transfer taxes (subject to an adjustment to the Purchase Price in accordance with Section 5.4), fees and expenses in connection with the registration of the Final Order or transfer of the Purchased Assets.

10.5 Preparation of Tax Returns After Closing. In the event that a Reverse Vesting Order is granted by the Court and the Purchaser acquires the Shares (along with the balance of the Purchased Assets), the Vendor agrees that forthwith following closing on the Closing Date the Vendor will, in consultation with the Purchaser and the Purchaser's professional advisors and accountants, cause income tax and other tax returns consequent to the closing to be prepared for the GP. The Purchaser will be responsible for all reasonable costs related to the preparation and filing of these returns along with the costs of the Purchaser's own accountant and other consultants in reviewing the same. The Vendor will also provide reasonable assistance in preparing and filing all financial statements, tax returns and other documents required by law in respect of any government charges or in respect of any federal, provincial, municipal or other taxing statute for fiscal periods of the GP ending for tax purposes on or before the Closing Date.

ARTICLE 11 – GENERAL

11.1 Further Assurances. Each of the parties will execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.

11.2 No Merger. The execution and delivery of the Closing Documents is not intended to and will not in any way merge or otherwise restrict the terms, covenants, conditions, representations, warranties or provisions made or to be performed or observed by the parties contained in this Agreement other than the obligation to deliver the Closing Documents.

11.3 Entire Agreement. This Agreement constitutes the entire agreement between the Vendor and the Purchaser pertaining to the purchase and sale of the Purchased Assets and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Vendor and the Purchaser, including, for certainty, the LOI, and there are no representations, warranties, covenants or agreements between the Vendor and Purchaser except as set out in this Agreement.

11.4 Amendment. Subject to Section 11.5, this Agreement may only be altered or amended by an agreement in writing executed by all of the parties.

11.5 Solicitors as Agents. Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors, on behalf of the Purchaser, and by the Vendor's Solicitors, on behalf of the Vendor, and any tender of Closing Documents and the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

11.6 Notices. Any notice, document or communication required or permitted to be given under this Agreement will be in writing and delivered by hand or electronic transmission as follows:

(a) if to the Purchaser:

Solterra Acquisitions Corp.
460 Fraserview Place
Delta, BC V3M 6H4

Attention: Gerry Nichele
E-mail: Gnasst@niradia.com

with a further copy to the Purchaser's Solicitors:

Synergy Business Lawyers LLP
#2300 – 925 West Georgia Street
Vancouver, BC V6C 3L2

Attention: Harry Tomyn
E-mail: htomyn@synergylaw.ca

(b) if to the Vendor:

Port Capital Development (EV) Inc. / Evergreen House Development Limited Partnership
c/o Ernst & Young Inc.
700 West Georgia Street
Vancouver, BC V7Y 1C7

Attention: Mike Bell
E-mail: mike.bell@parthenon.ey.com

with a further copy to the Vendor's Solicitors:

Bennett Jones LLP
666 Burrard Street, Suite 2500
Vancouver, BC V6C 2X8

Attention: David Gruber and Mark Lewis
E-mail: gruberd@bennettjones.com; lewismv@bennettjones.com

with a further copy to the Monitor's Solicitors:

Blake, Cassels & Graydon LLP
595 Burrard Street, P.O. Box 49314,
Suite 2600, Three Bentall Centre
Vancouver, BC V7X 1L3

Attention: Peter Rubin and Greg Umbach
E-mail: peter.rubin@blakes.com; greg.umbach@blakes.com

or to such other address in Canada as either party may in writing advise. Any notice, document or communication will be deemed to have been given on the Business Day when delivered by hand if delivered prior to 5 p.m. (Vancouver time), otherwise will be deemed to be delivered and received on the next Business Day; or, if made by email, shall be deemed to have been given on the Business Day when transmitted if it is so transmitted prior to 5 p.m. (Vancouver time) on the day of transmittal, otherwise will be deemed to be given and received on the next Business Day.

11.7 Fees. Each of the parties will pay its own legal fees and fees of its consultants. The Purchaser will pay all registration costs and property transfer tax payable in connection with its purchase of the Purchased Assets, subject to an adjustment to the Purchase Price in accordance with Section 5.4.

11.8 Real Estate Commissions. Each of the Vendor and the Purchaser represents and warrants that it has not made any agreement with any real estate agent or broker regarding payment of any commission in respect of the purchase and sale of the Purchased Assets.

11.9 Waiver of Site Disclosure Statement. The Purchaser waives any right it may have to be provided with, and any requirement for the Vendor to provide, a site disclosure statement for the Property under the *Environmental Management Act* (British Columbia) and the regulations under that act.

11.10 Time. Time is of the essence of this Agreement. If anything is required to be done under this Agreement on a day which is not a Business Day, the same shall be done on the next following Business Day.

11.11 Tender. Unless otherwise set out herein, any tender of documents or money may be made upon the party being tendered or upon its solicitors and money will be tendered by certified cheque, bank draft, or wire transfer.

11.12 Enurement. This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

11.13 Force Majeure. If by reason of Excusable Delay, the Vendor or Purchaser is delayed in performing or observing a covenant or obligation hereunder which is to be performed or observed (the "**Specified Date**"), or if either the Purchaser or the Vendor is delayed in satisfying or waiving any of the conditions precedent set out in Sections 8.1, 8.4 or 8.6, the applicable Specified Date will be extended by a period of time equal to the duration of the Excusable Delay, provided that the Vendor or Purchaser, as applicable, notifies the other party in writing prior to the applicable Specified Date, and such notice sets out in detail the date of the commencement and nature of such circumstances (the "**Delay Notice**"), and provided further that the party giving the Delay Notice uses its commercially reasonable efforts to render performance in a timely manner utilizing to such end commercially reasonable and available resources required in the circumstances. If the duration of the Excusable Delay exceeds 60 days from the date of giving a Delay Notice, the party receiving such Delay Notice may terminate this Agreement forthwith, notwithstanding any other provision of this Agreement, by giving written notice of termination to the other party, in which event the parties shall have no further obligations to one another. In determining whether delay is excusable, the party giving the Delay Notice shall be held to a commercially reasonable standard and not to a best efforts standard.

11.14 Assignment. The Purchaser will be entitled to assign its rights and obligations under this Agreement on prior written notice to, but without the consent of the Vendor to any one or more affiliates (within the meaning of the *Business Corporations Act* (British Columbia)) of the Purchaser or to one or more limited partnerships in which the general partners are affiliates (within the meaning of the *Business Corporations Act* (British Columbia)) of the Purchaser if: (i) the Purchaser delivers written notice of such assignment(s) to the Vendor; (ii) the assignee(s) enters into an agreement pursuant to which the assignee(s) agrees to be bound by all of the obligations and Liability of the Purchaser under this Agreement as if it was the original Purchaser; (iii) the Purchaser is not released from its obligations and Liability under this Agreement until the completion of the transactions contemplated in this Agreement, at which time the assignor will be automatically released from all of its obligations and Liability under this Agreement without the need for any further deliveries or instruments of release; and (iv) such assignment(s) is completed not less than ten (10) Business Days prior to the Closing Date. The Purchaser will not otherwise be entitled to assign its rights and obligations under this Agreement except with the prior written consent of the Vendor, such consent may be arbitrarily withheld or delayed by the Vendor.

11.15 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in it.

11.16 Waiver. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision nor will any waiver constitute a continuing waiver unless otherwise expressed or provided.

11.17 Confidentiality. Except as may be required in the CCAA Proceedings, the parties will not disclose the existence of nor the contents of this Agreement to any third party, except their respective directors, officers, employees, agents or advisors, including lawyers, accountants, consultants, bankers and financial advisors (collectively, the "**Authorized Parties**"), without the prior written consent of the other party, not to be unreasonably withheld, provided that such consent is not required in the case of disclosure required by law or disclosure by either party to enforce any of its rights under this Agreement or to obtain necessary consents under this Agreement. The parties will instruct their respective Authorized Parties to comply with the provisions of this Section 11.17 and the parties will be responsible for any breach of the provisions of this Section 11.17 by their respective Authorized Parties. This Section 11.17 does not apply to public information or information in the public domain at the time that such information is obtained, information in the possession of a party not provided by the other party, or information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligation. The obligations under this Section 11.17 shall terminate as of the second anniversary of the date of this Agreement. The provisions of this Section 11.17 shall supersede the confidentiality provisions of the LOI and any non-disclosure or confidentiality agreements entered into by the parties with respect to the Purchased Assets and the transactions contemplated in this Agreement.

11.18 Public Announcement. The parties agree that no disclosure or announcement, public or otherwise shall be made concerning this Agreement or the transactions contemplated hereunder without the prior consent of both parties, except as otherwise required by applicable law, regulation or regulatory authority or stock exchange rules or requirements. The parties shall consult and cooperate with each other with respect to any proposed announcement of the transactions contemplated hereunder.

11.19 No Registration. The Purchaser will not register this Agreement or notice of this Agreement against title to the Property.

11.20 Currency. All dollar amounts referred to are Canadian dollars.

11.21 Construction. The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.

11.22 Counterparts and Execution. This Agreement may be executed in counterparts and delivered by electronic transmission including by PDF format, and each such counterpart will constitute an original and all such counterparts together will constitute one and the same agreement.

11.23 Schedules. The following schedules are attached to and form a part of this Agreement:

Schedule A – Legal Description and Permitted Encumbrances

[Signature pages follow]

The parties are signing this Agreement as of the date set out above.

ERNST & YOUNG INC. in its capacity as the Monitor of EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP, by its general partner, PORT CAPITAL DEVELOPMENT (EV) INC., and not in its personal capacity

By: ______________________________

Name: Mike Bell
Title: Senior Vice President, Ernst & Young Inc.

ERNST & YOUNG INC. in its capacity as the Monitor of PORT CAPITAL DEVELOPMENT (EV) INC., and not in its personal capacity

By: ______________________________

Name: Mike Bell
Title: Senior Vice President, Ernst & Young Inc.

SOLTERRA ACQUISITIONS CORP.

By: ______________________________
Name: Gerry Nichele
Title: President

SCHEDULE A
LEGAL DESCRIPTION AND PERMITTED ENCUMBRANCES

Part 1 – Legal Description of Lands

PID: 006-721-397; LOT 18, EXCEPT THAT PART OF THE CANADIAN PACIFIC RAILWAY RIGHT-OF-WAY AS DESCRIBED IN ABSOLUTE FEE PARCELS BOOK, VOLUME 9, FOLIO 317, NO. 1154C, AND EXCEPT THE SOUTH 7 FEET NOW ROAD, BLOCK 29 DISTRICT LOT 185 PLAN 92

Part 2 – Permitted Encumbrances

(a) the reservations, limitations, provisions or conditions expressed in the original grants from the Crown of any of the Lands and the statutory exceptions to title currently applicable to the Lands;

(b) a claim of right, title or jurisdiction which may be made or established by any aboriginal peoples by virtue of their status as aboriginal peoples to or over any Lands;

(c) liens for taxes, assessments, rates, duties, charges or levies not at the time due, which relate to obligations or Liability assumed by the Purchaser; and

(d) the Encumbrances listed below in respect of the Lands.

Legal Notations

1. Easement No. BP238635

Charges, Liens and Interests

1. Restrictive Covenant No. R18424
2. Easement and Indemnity Agreement No. J7909
3. Easement No. BP238634

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 May 15, 2021 to September 30, 2021
$CAD

	Week Ending	1 21-May-21 Forecast	2 28-May-21 Forecast	3 4-Jun-21 Forecast	4 11-Jun-21 Forecast	5 18-Jun-21 Forecast	6 25-Jun-21 Forecast	7 2-Jul-21 Forecast	8 9-Jul-21 Forecast	9 16-Jul-21 Forecast	10 23-Jul-21 Forecast	11 30-Jul-21 Forecast	12 6-Aug-21 Forecast	13 13-Aug-21 Forecast	14 20-Aug-21 Forecast	15 27-Aug-21 Forecast	16 3-Sep-21 Forecast	17 10-Sep-21 Forecast	18 17-Sep-21 Forecast	19 24-Sep-21 Forecast	20 1-Oct-21 Forecast	Total
Receipts																						
GST Refund	1	-	-	-	-	34,139	-	12,317	-	-	-	-	-	-	-	-	-	-	-	-	-	**46,456**
		-	**-**	**-**	**-**	**34,139**	**-**	**12,317**												**-**		**46,456**
Disbursements																						
Insurance	2	-	-	-	-	-	-	(76,470)	-	-	-	-	-	-	-	-	-	-	-	-	-	**(76,470)**
Site preservation	3	(2,694)	-	(10,752)	-	-	-	(10,731)	-	-	-	(10,731)	-	-	-	-	(10,731)	-	-	-	-	**(45,639)**
Glass storage costs	4	-	-	(6,549)	-	-	-	(6,549)	-	-	-	(6,549)	-	-	-	-	(6,549)	-	-	-	-	**(26,196)**
Consultants - city requirements	5	(2,420)	-	-	-	-	-	(2,235)	-	-	-	(735)	-	-	-	-	(735)	-	-	-	-	**(6,125)**
Crane lease	6	-	-	(8,085)	-	-	-	(8,085)	-	-	-	(8,085)	-	-	-	-	(8,085)	-	-	-	-	**(32,340)**
Formwork rentals	7			(15,106)				(15,106)	-	-	-	(15,106)	-	-	-	-	(15,106)	-	-	-	-	**(60,423)**
Permit costs	8	-	-	-	(1,500)	-	-	-	-	-	-	-	-	-	-	(1,500)	-	-	-	-	-	**(3,000)**
General, admin & miscellaneous expenses	9	-	(7,899)	(3,250)	(1,000)	(1,000)	(10,149)	(1,000)	(1,000)	(1,000)	(1,000)	(7,899)	(1,000)	(1,000)	(1,000)	(7,899)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	**(51,096)**
Contingency	10	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	**(19,000)**
		(5,114)	**(8,899)**	**(44,742)**	**(3,500)**	**(2,000)**	**(11,149)**	**(121,176)**	**(2,000)**	**(2,000)**	**(2,000)**	**(50,105)**	**(2,000)**	**(2,000)**	**(2,000)**	**(10,399)**	**(43,206)**	**(2,000)**	**(2,000)**	**(2,000)**	**(2,000)**	**(320,289)**
Restructuring Disbursements																						
Restructuring costs	11	-	(15,000)	(84,679)	(15,000)	(10,000)	(10,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	**(204,679)**
		-	**(15,000)**	**(84,679)**	**(15,000)**	**(10,000)**	**(10,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(5,000)**	**(204,679)**
Net Cash Flow		**(5,114)**	**(23,899)**	**(129,421)**	**(18,500)**	**22,139**	**(21,149)**	**(113,859)**	**(7,000)**	**(7,000)**	**(7,000)**	**(55,105)**	**(7,000)**	**(7,000)**	**(7,000)**	**(15,399)**	**(48,206)**	**(7,000)**	**(7,000)**	**(7,000)**	**(7,000)**	**(478,512)**
Cash Balance																						
Opening Available Cash Balance		34,039	28,925	155,026	25,605	7,105	29,244	208,095	94,237	87,237	80,237	73,237	18,132	109,779	102,779	95,779	80,380	32,174	25,174	18,174	11,174	**34,039**
Net Cash Flow		(5,114)	(23,899)	(129,421)	(18,500)	22,139	(21,149)	(113,859)	(7,000)	(7,000)	(7,000)	(55,105)	(7,000)	(7,000)	(7,000)	(15,399)	(48,206)	(7,000)	(7,000)	(7,000)	(7,000)	**(478,512)**
DIP Draw/(Payback)		-	150,000	-	-	-	200,000	-	-	-	-	-	98,647	-	-	-	-	-	-	-	-	**448,647**
Closing Available Cash Balance		**28,925**	**155,026**	**25,605**	**7,105**	**29,244**	**208,095**	**94,237**	**87,237**	**80,237**	**73,237**	**18,132**	**109,779**	**102,779**	**95,779**	**80,380**	**32,174**	**25,174**	**18,174**	**11,174**	**4,174**	**4,174**
DIP Balance																						
Opening Balance		1,250,000	1,250,000	1,432,466	1,435,763	1,439,067	1,442,379	1,645,698	1,649,485	1,653,282	1,657,086	1,660,900	1,664,722	1,767,200	1,771,267	1,775,344	1,779,429	1,783,525	1,787,629	1,791,743	1,795,867	**1,250,000**
Draw/(Payback)		-	150,000	-	-	-	200,000	-	-	-	-	-	98,647	-	-	-	-	-	-	-	-	**448,647**
Legal Fees	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Commitment Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
DIP Interest	12	-	32,466	3,297	3,304	3,312	3,319	3,787	3,796	3,805	3,814	3,822	3,831	4,067	4,076	4,086	4,095	4,105	4,114	4,123	4,133	**101,353**
DIP Balance		**1,250,000**	**1,432,466**	**1,435,763**	**1,439,067**	**1,442,379**	**1,645,698**	**1,649,485**	**1,653,282**	**1,657,086**	**1,660,900**	**1,664,722**	**1,767,200**	**1,771,267**	**1,775,344**	**1,779,429**	**1,783,525**	**1,787,629**	**1,791,743**	**1,795,867**	**1,800,000**	**1,800,000**

See attached disclaimer

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**"). Ernst & Young Inc., in its capacity as the Monitor of the Petitioners (the "**Monitor**"), with the assistance of the Petitioners, 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 30, 2021. The Cash Flow Forecast covers the period from May 15, 2021 to September 30, 2021 (the "**Period**").

1. **GST Refund**: The estimated refund for GST paid on disbursements incurred during these CCAA proceedings.

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 and other items related to site preservation.

4. **Glass Storage Costs**: 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. **Crane Lease** – Costs associated with the lease for the crane that remains on site.

7. **Formwork Rentals** – Costs associated with the rental of formwork equipment that remains on site.

8. **Permit Costs –** Costs associated with City of Vancouver permitting required for site preservation.

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

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

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

12. **DIP Interest and Fees:** Interest, legal, and other fees associated with the DIP facility.