FORM 109 (RULE 22-2(2) AND (7))

This is the 2nd affidavit
of L. Ward in this case
and was made on July 15, 2022

No. S-225423
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

DOMAIN MORTGAGE CORP.

Petitioner

and

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

Respondents

AFFIDAVIT

I, Lisa Ward, businessperson, of c/o 2900-595 Burrard Street, Vancouver, B.C., AFFIRM THAT:

1. I am the Vice President, Risk Management, of Domain Mortgage Corp., and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be based upon information and belief, and where so stated I verily believe the same to be true.

2. Capitalized terms herein are as defined in Domain's petition to the court.

3. Attached as Exhibit "**A**" is a payout statement setting out the debt owed to Domain, exclusive of legal costs, as of July 14, 2022, under the first, second and third loan segments (i.e. the "senior debt"), as referred to in my first affidavit and Sections 6 and 9 of the commitment

letter dated July 30, 2021 (Exhibit "A" to my first affidavit) and Sections 6 and 9 of the commitment letter dated February 7, 2022 (Exhibit "G" to my first affidavit).

4. Attached as Exhibit "**B**" is an Excel spreadsheet provided by the Monitor with estimated monthly site preservation costs for the Terrace House Project.

5. I am advised by Colin Brousson, counsel to Bowra, and verily believe, that he and Bowra consider $50,000 a reasonable estimate for Bowra to perform the work of the Monitor contemplated in the Simplified Sale and Investment Solicitation Process scheduled to Aviva's notice of application filed July 7, 2022 in the CCAA proceeding. For ease of reference, attached as Exhibit "**C**" is a copy of that application. Mr. Brousson advised that the estimate would not include other receiver or legal fees that might be incurred for other aspects of the receivership that may be necessary, including a potential lengthy discharge application or an opposed approval of sale application.

AFFIRMED BEFORE ME at the City of Vancouver, in the Province of British Columbia, this 15th day of July, 2022. A Commissioner for taking Affidavits for British Columbia	))))))))	**LISA WARD**

SCOTT H. STEPHENS
BARRISTER & SOLICITOR
2900 - 595 BURRARD STREET
VANCOUVER, B.C. V7X 1J5
604-688-0401

This is Exhibit "A" referred to in the affidavit of
Lisa Ward affirmed before me at Vancouver, B.C.
this 18 day of July, 2022

A Commissioner for taking Affidavits within British Columbia

DOMAIN MORTGAGE

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

Owen Bird Law Corporation
Three Bentall Centre
29th Floor
595 Burrard Street
PO Box 49130
Vancouver, BC V7X 1J5

BY EMAIL
July 14, 2022

Attention: Scott H. Stephens

Dear Scott,

LOAN PAYOUT STATEMENT

RE:

Loan No.	**2021-010 (Terrace House)**
Loan Description	**$16,500,000 First Mortgage Loan (the "Loan") to Evergreen House Development Limited Partnership and Port Capital Development (EV) Inc. (collectively the "Borrower") in favour of Domain Mortgage Corp. (the "Lender")** **Discharge of Mortgage No. CA7337616** **Discharge of Assignment of Rents No. CA7337617**
Secured Property Description	**1250 West Hastings Street, Vancouver B.C. (the "Secured Property")**

As requested, we provide the following Loan payout figures:

Principal balance as of June 30, 2022 – Domain Senior Loan Tranche	**$16,699,783.00**
Interest July 1 - 14, 2022 – Domain Senior Loan Tranche	**$105,207.32**
Loan Servicing Fee July 1 - 14, 2022 – Domain Senior Loan Tranche	**$1,582.19**
Administration Fees – As per Section 20 of the Commitment Letter – Domain Senior Loan Tranche	**$6,875.00**
Owen Bird legal account - to be determined	**TBD**
Discharge Fee ($500 per title)	**$500.00**
Total Amount Owing on or before July 14, 2022 before 1:00 PM	**$16,813,947.51**
Per diem (Interest and Loan Servicing Fee) thereafter (valid until July 31, 2022) – Domain Senior Loan Tranche	**$7,627.82**

***Junior Loan Tranche - Amounts Owing to 1260780 B.C. LTD. And 1296371 B.C. LTD. is not included.**

NOTE: This Loan Payout Statement is valid until July 31, 2022 before 1:00 PM. If payment is not received by our office by 1:00 PM on July 31, 2022, please request a new Loan Payout Statement.

As a condition to providing the executed Discharge of Mortgage, the Borrower must provide evidence satisfactory to the Lender that all remittances required to be made by the Borrower to the federal government have been made. You may provide one of the following to comply with our requirement:

(a) Copy of most recent GST Notice of Assessment; or
(b) Letter from accountant certifying that the entity is currently in good standing with respect to GST remittances and CRA filings.

In order to receive a discharge of the registered mortgage, we require the Borrower's solicitor to prepare mortgage discharge documents and forward them to ***DOMAIN MORTGAGE CORP.*** for execution along with ***certified funds*** for the Loan payout amount specified herein.

If payment is not received by 1:00 PM, on the day of payout, we will require loan interest to the next banking day. We do not accept payments Saturdays, Sundays, or holidays.

Yours truly,

Domain Mortgage Corp.
Per:

Shannon Wallaker, CPA
Manager, Mortgage Administration

E.&.O.E.

This is Exhibit "B" referred to in the affidavit of
Lisa Ward affirmed before me at Vancouver, B.C.
this 15 day of July, 2022

A Commissioner for taking Affidavits within British Columbia

Port Capital Development (EV) Inc and Evergreen House Development Limited Partnership ("Terrace House")
Estimated Monthly Site Preservation Costs

Item #	Item Description	Provider	Estimated Monthly Cost	Amount outstanding per July 12 AP Listing	Notes
1	Temporary power shack	Alpine West Systems Electrical	$ 1,575.00	$ 7,875.00	July invoice not included in AP Listing
2	Site Security	Radius Security	$ 3,056.55	$ 12,226.20	
3	Scaffolding	Matakana	$ 2,693.60	$ 11,004.00	
4	Glass Storage	Glastech Glazing	$ 6,548.85	$ 19,646.55	July invoice not included in AP Listing
5	Remote Site Monitoring	GeoPacific Consultants	$ 735.00	$ 2,100.00	June and July invoices not included in AP Listing
6	Fencing	Yellow Fence	$ 369.20	$ 1,478.40	July invoice not included in AP Listing
7	Sediment Control	Lionsgate Water Treatment	$ 1,008.00	$ 3,584.00	June and July invoices not includedin AP Listing
8	Showroom Rent	Arjian Investments Corp	$ 7,556.06	$ 21,397.59	July rent not included in AP Listing
9	Crane Rental	Allied Crane	$ 8,085.00	$ 32,340.00	
10	Formwork Rentals	Doka Canada Ltd	$ 15,108.87	$ 106,423.34	June and July invoices missing in AP Listing
11	Electricity	BC Hydro	$ 1,000.00	$ 4,717.92	Estimate
12	Insurance	Aviva / First Insurance	$ 31,457.00	$ 94,371.00	Monthly installment payments
		Total	**$ 79,193.13**	**$ 317,164.00**	

This is Exhibit "C" referred to in the affidavit of Lisa Ward affirmed before me at Vancouver, B.C. this 15 day of July, 2022

A Commissioner for taking Affidavits within British Columbia

FORCE FILED

NO. S-205095
VANCOUVER REGISTRY

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

NOTICE OF APPLICATION

Name of Applicant: Aviva Insurance Company of Canada

To: The Service List

TAKE NOTICE that an application will be made by the Applicant to the Honourable Madam Justice Fitzpatrick at the Courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on **July 13, 2022, at 10:00 a.m.** for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. An Order abridging the time for service such that this Application is returnable on July 13, 2022 and that service upon any interested party, other than those parties on the service list maintained by the Petitioners and Ernst & Young Inc., in its capacity as court-appointed Monitor of the Petitioners (the "**Monitor**") in these proceedings is hereby dispensed with; and

2. An Order that the Monitor's powers be enhanced as follows:

   a. the Monitor be directed to commence and administer a simplified sale and investment solicitation process (the "**Simplified SISP**"), where the Monitor will, for a period of three weeks, invite offers from the six qualified bidders under the original sale and investment solicitation process herein (the "**Original SISP**"), identified in the

Monitor's Fifth Report to the Court as the "**Qualified Offerors**", or such other parties as the Monitor may determine.

b. to implement and administer the Simplified SISP attached hereto as Schedule "A";

c. to seek approval of the Court for a sale of all or any part of the Property, following the conclusion of the timelines set out in the Simplified SISP; and

d. to perform such other duties or take any steps reasonably incidental to the exercise of any powers and obligations conferred upon the Monitor by this order or any further order of the Court.

Part 2: FACTUAL BASIS

3. The Petitioners Port Capital Development (EV) Inc. (the "**General Partner**") and Evergreen House Development Limited Partnership ("**Evergreen LP**"), own the "**Terrace House Project**", which consists of an ongoing development of a high-rise luxury residential strata development in the Coal Harbour neighborhood, located as 1250 West Hastings Street, Vancouver.

4. The General Partner is the Bare Trustee that holds title to the real property owned by the Petitioner, legally described as:

> PARCEL IDENTIFIER: 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

5. Aviva Insurance Company of Canada ("**Aviva**") holds the second ranking secured claim against the assets that are the subject of these proceedings. That security secured obligations of the debtors in excess of $8 million.

Summary of Proceeding

6. On May 29, 2020, the Petitioners sought and obtained creditor protection under the *Companies' Creditors Arrangement Act*, RSC 1985 c. C-36, as amended (the "**CCAA Proceedings**") and the Honourable Madam Justice Fitzpatrick granted the Initial Order (the "**Initial Order**"), which established, among other things, a stay of proceedings (the "**Stay of Proceedings**") effective until June 8, 2020. Ernest & Young, Inc. (the "**Monitor**") was appointed as Monitor of the Petitioners in these CCAA proceedings by the Initial Order.

7. Among other things, the Initial Order granted the Monitor enhanced powers, to execute control over the Petitioners, including the ability to execute control over the Petitioners. 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.

8. The Stay of Proceedings has been extended to September 30, 2022, by various Orders of this Court dated June 8, 2022, February 24, 2021, April 16, 2021, June 11, 2021, and further extended by the Order of the Court of Appeal (Court of Appeal File No. CA-4585) pronounced as of September 22, 2021, and by further Orders of this Court pronounced April 29, 2022 and May 13, 2022.

9. Pursuant to the terms of the ARIO, the Monitor ran an extensive SISP process, but that process did not result in a completed sale or investment transaction. It is the opinion of Aviva that it is not necessary to incur the costs and time to administer a further extended SISP process and that, in the circumstances, a shortened, simplified SISP process will be as effective and more efficient.

10. The Monitor's original SISP process is summarized in the Monitor's Fifth Report dated April 13, 2021. The report sets out that 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**").

    e. "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;

    f. "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.

g. "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."

11. The Monitor's 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. Accordingly, the Monitor in consultation with CMLS did not advance Bid Offer to a definitive agreement.

12. After the Bid Offer had failed to materialize into a definitive agreement, on April 16, 2021, the Court approved the Monitor entering into a purchase and sale agreement (the "**Landa PSA**") with Landa Global Acquisitions Ltd. ("**Landa**") which provided for the opportunity for third parties to submit competing bids. If no competitive proposals were received that were deemed superior to the Landa PSA, the Court would then be asked to grant an approval and vesting order in favour of Landa.

13. On June 15, 2021, the Petitioners sought and were granted an Order (the "**Order Approving Sale**") approving the Purchase and Sale Agreement dated for reference June 4, 2021 (the "**Sale Agreement**"), made between the Petitioners and Solterra Acquisitions Corp ("**Solterra**"), for the purchase of the Terrace House Project.

14. On September 22, 2021, 1296371 B.C. Ltd. ("**129**") appealed the Order Approving Sale to the British Columbia Court of Appeal (the "**BCCA**"). By way of an Order dated September 22, 2022 (the "**BCCA Order**"), the BCCA set aside the Order Approving Sale and granted an Order approving an offer (the "**129 Offer**") submitted by 1296371 B.C. Ltd. ("**129**") to purchase and take assignment of the loan and security held by CMLS and to repay the Construction Loan and the Original DIP Lender.

15. The BCCA Order further removed the Enhanced Powers granted to the Monitor and reverted operational control of the Terrace House Project back to the Petitioners.

The Mandate Loan

16. As set out in the Receiver's Twelfth Report to the Court:

a. "The 129 Offer was completed in three tranches with $14,700,000 provided by Domain Facility Corp. ("**Domain**") (the "**Initial Domain Loan**"), $8,399,060 provided by 129 and $2,150,000 provided by 1260780 B.C. Ltd. ("**126**" and together with 129, the "**Junior Lender**"). 126 and 129 are related to the Petitioners."

b. "The Initial Domain loan matured on May 1, 2022, however the Petitioners obtained an extension of the maturity date to July 1, 2022 for an extension fee of $98,000."

c. "The Initial Domain Loan was almost entirely used to complete the 129 Offer and left very little cash available to the Petitioners to pay for working capital and site preservation expenses. To fund these costs through to the expiry of the current Stay Period, on February 15, 2022 this Honourable Court granted the Further Amended and Restated Initial Order ("**FARIO**") and approved an additional $1,800,000 tranche to the Domain facility (the "**Second Domain Loan**" and collectively with the Initial Domain Loan, the "**Domain Facility**") to provide working capital to the Petitioners for this proceeding."

d. " .... the Petitioners have identified a development partner, Enso Holdings Ltd. ("**Enso**") that has agreed with the Petitioners that it will co-develop the Terrace House Project, become the majority General Partner, and provide its covenant and an equity investment to support the necessary construction financing to exit these proceedings. The Petitioners together with Enso negotiated a commitment letter dated April 19, 2022 (the "**Initial Mandate Commitment Letter**") with Mandate Management Corporation ("**Mandate**") which was attached to the Monitor's Tenth Report, for a proposed $20,000,000 mortgage financing (the "Proposed Mandate Loan") to repay the Domain Facility and provide working capital for these CCAA Proceedings."

17. On May 13, 2022, this Honourable Court granted an order approving the Proposed Mandate Loan and extending the Stay of Proceedings to September 30, 2022. The Proposed Mandate Loan has not yet completed and has not yet funded.

18. As the Proposed Mandate Loan has not yet funded, Aviva Insurance Company of Canada ("**Aviva**") is seeking an Order that a new, but simplified, sales process be implemented, in which the Monitor will, for a period of 3 weeks, invite bids from the Qualified Offerors under the Original SISP.

PART 3: LEGAL BASIS

19. The Petitioners have been unable to obtain finacing to repay the Domain Facility, and the Domain Facility is in default. Domain is seeking to have a receiver appointed to, among other things, market and sell the Petitioner's assets and undertakings.

20. Pursuant to the Original SISP, the Monitor fully exposed these assets and undertakings to the market, and identified the parties most likely to acquire those asset and undertakings.

21. Aviva is of the view that a further SISP or marketing process administered by a receiver will not likely identify any interested parties not already known to the Monitor, and will not generate a significantly higher sale price. Conversely, a further SISP or marketing process administered by a receiver will incur significant professional and interest costs.

22. It is Aviva's position that the stakeholders will benefit most from a simplified SISP process where the Monitor is tasked with contacting the six parties already identified, and asking them to submit definitive bids within three weeks to acquire the Petitioners' assets and undertakings.

23. The Petitioners will rely upon sections 11 and 36 of the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. 36, as amended, the Supreme Court Rules, the orders made herein by Madam Justice Fitzpatrick, and the inherent jurisdiction of this Honourable Court.

Part 4: MATERIAL TO BE RELIED ON

Previous Court Orders

24. Initial Order pronounced May 29, 2020;

25. Amended and Restated Initial Order pronounced June 8, 2020;

26. Further Amended and Restated Order pronounced February 14, 2022;

27. Order made After Application pronounced May 13, 2022

Monitor's Reports to the Court

28. Monitor's Third Report to the Court, dated November 27, 2020;

29. Monitor's Fourth Report to the Court, dated February 23, 2021;

30. Monitor's Fifth Report to the Court, dated April 13, 2021;

31. Monitor's Sixth Report to the Court, dated May 20, 2021

32. Monitor's Twelfth Report to the Court, dated June 16, 2022

33. Such further and other material as counsel may advise and this Honourable Court may permit.

The Applicants estimate that the application will take 1 hour.

☒ This matter is not within the jurisdiction of a Master. **Madam Justice Fitzpatrick is seized of this proceeding.**

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application.

1. file an Application Response in Form 33,
2. file the original of every affidavit, and every other document, that
   a. you intend to refer to at the hearing of this application, and
   b. has not already been filed in the proceeding, and
3. serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
   a. a copy of the filed Application Response;
   b. a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
   c. if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Dated at the City of Vancouver, in the Province of British Columbia, this 7th day of July, 2022.

Lawson Lundell LLP
Solicitors for the Applicants

Filed by:

William L. Roberts
Lawson Lundell LLP
1600 – 925 West Georgia Street
Vancouver, British Columbia, V6C 3L2
Telephone: 604-685-3456
Email for Application: wroberts@lawsonlundell.com.

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs ________________ of Part 1 of this Notice of Application

☐ with the following variations and additional terms:

____

____

____

____

Date:

____

Signature of ☐Judge ☐Master

APPENDIX

The following information is provided for data collection purposes only and is of no legal effect.

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts

Schedule "A"

SIMPLIFIED SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

Pursuant to a Companies' Creditor Arrangement Act, R.S.C. 1985, c. C – 36 ("**CCAA**") initial order (as may be amended from time to time, the "**Initial Order**") of the Supreme Court of British Columbia (the "**Court**") dated May 29, 2020 in Action No. VLC-S-S-205095, Vancouver Registry (the "**CCAA Proceeding**") in regard to Port Capital Development (EV) Inc. and Evergreen House Development Limited Partnership (collectively the "**Debtor**"), Ernst & Young, Inc. was appointed as monitor (in such capacity, the "**Monitor**") in the CCAA Proceeding and was granted certain Enhanced Monitor's Powers (as defined in the Initial Order) including the power to implement the Simplified Sale and Investment Solicitation Plan set out herein (the "**SSISP**") with regard to the assets of the Debtor being chiefly the development property having a legal description of PID: 006-721-397 Lot 18, Except that part of the Canadian Pacific Railway Right-of-Way as described in Absolute Fee Parcel Book, Volume 9, Folio 317, No. 1154C, and Except the South 7 Feet now Road, Block 29 District Lot 185 Plan 92 and the Debtor.

The Monitor administered an earlier SISP that resulted in six Qualified Bidders (the "**Qualified Bidders**") being identified, but that SISP did not result in a court-approved sale.

Accordingly, the Monitor intends to conduct this SSISP in consultation with Domain Mortgage Corp. and Aviva Insurance Company of Canada (collectively, the "**Secured Creditors**") and the Debtor. The SSISP is intended to efficiently solicit interest in a sale of, or investment in, the assets and/or the businesses of the Debtor from the Qualified Bidders or such other parties as the Monitor may identify.

OPPORTUNITY AND SSISP SUMMARY

1. The SSISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtor's business and the Property (the "**Opportunity**").

2. The SSISP will provide for the solicitation of interest for:

    (a) the sale of the Property (as defined in the Initial Order). Interested parties may submit proposals to acquire all, substantially all or a portion of the Property of the Debtor (a "**Sale Proposal**"); and

    (b) the investment in the business operations (the "**Business**") of the Debtor on a going concern basis. Such proposals may take the form of an investment in or proposals to restructure, reorganize or refinance the Business (an "**Investment Proposal**").

3. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any Sale Proposal or any Investment Proposal will be on an "*as is, where is*" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor or any of its affiliates, agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Debtor in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

4. As described more fully in this SSISP, the Monitor will solicit offers from the Qualified Bidders, to be submitted substantially in the accordance with the form of agreement provided by the Monitor and within two weeks of the date of this SSISP

TIMELINE

5. The following table sets out the target dates under the SSISP:

Target Dates	**Target Dates**
Bid Deadline	August 3, 2022
Court Approval Date (subject to Court availability)	August 10, 2022
Outside Closing Date	August 29, 2022

6. The target dates set forth above may be adjusted in the sole discretion of the Monitor after consultation with the Secured Creditors and the Debtor.

7. The Monitor shall confirm with each Qualified Bidder who wishes to submit a bit that each such Qualified Bidder:

   (a) remains bound by the terms of the non-disclosure agreement previously executed by that Qualified Bidder;

   (b) that the Monitor makes no representation or warranty as to the accuracy or completeness of the information contained in the CIM, the Data Room (as defined below), or otherwise made available pursuant to the SSISP or otherwise, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by the Monitor;

8. The Monitor, with the assistance of the Debtor, will gather and review all required due diligence material to be provided to interested parties and shall establish a secure, electronic data room (the "**Data Room**"), which will be maintained and administered by the Monitor during the SSISP;

9. The Monitor, in consultation with the Secured Creditors and the Debtor, will develop a draft form of asset purchase agreement and draft form of investment agreement (collectively, the "**Agreement Form**"); and

OFFER SUBMISSION AND EVALUATION STAGE

Submission Phase

10. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SSISP and any transaction they enter into with the Monitor.

11. Qualified Bidders who advise the Monitor or its Agent (if any) that they wish to submit an offer will be provided with a copy of the Agreement Form.

12. A Qualified Bidder who wishes to pursue the Opportunity further must deliver an Offer, substantially in the form of the Agreement Form, to the Monitor or its Agent (if any), so as to be received by not later than 5:00 PM (Vancouver time) on or before **August 3, 2022**, or such later date as the Monitor may determine after consultation with the Secured Creditors and the Debtor

(the " **Bid Deadline**"). If the Bid Deadline is extended by the Monitor, it shall provide notice of such extension and the revised Bid Deadline to each Qualified Bidder.

13. An Offer submitted in accordance with above paragraph will be considered a qualified Offer (a "**Qualified Offer**") only if:

    (a) it is submitted on or before the relevant Bid Deadline by a Qualified Bidder;

    (b) in the case of a Sale Proposal, it identifies or contains the following:

        (i) it is substantially in the form of the Agreement Form;

        (ii) the purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Qualified Bidder and any assumptions supporting the valuation;

        (iii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;

        (iv) a specific indication of the financial capability, together with evidence of such capability, of the Qualified Bidder and the expected structure and financing of the transaction;

        (v) the offer is unconditional, save for Court approval, and will remain open for acceptance and Court Approval for at least six weeks; and

        (vi) any other terms or conditions of the Sale Proposal that the Qualified Bidder believes are material to the transaction;

    (c) in the case of an Investment Proposal, it identifies or contains the following:

        (i) it is substantially in the form of the Agreement Form;

        (ii) a description of how the Qualified Bidder proposes to structure the proposed investment in the Business;

        (iii) the aggregate amount of the equity and/or debt investment to be made in the Business or in the Debtor in Canadian dollars;

        (iv) the underlying assumptions regarding the pro forma capital structure;

        (v) a specific indication of the sources of capital for the Qualified Bidder and the structure and financing of the transaction;

        (vi) the offer is unconditional, save for Court approval, and will remain open for acceptance and Court Approval for at least sixs weeks; and

        (vii) any other terms or conditions of the Investment Proposal that the Qualified Bidder believes are material to the transaction;

    (d) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Monitor.

14. The Monitor may, in consultation with the Secured Creditors waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified Agreement. For the avoidance of doubt, the completion of any Sale Proposal or Investment

Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Phase 2: Selection of Successful Bidder

15. Following the Bid Deadline, the Monitor will, in consultation with the Secured Creditors and the Debtor, assess the Qualified Offers and shall determine which Qualified Offer or Offers shall be put before the Court for approval. In making that assessment, the Monitor shall consider all factors it considers relevant.

16. The Monitor shall immediately thereafter set an application to seek Court approval of one of those the Accepted Offers.

17. The Monitor, in consultation with the Debtor and the Secured Creditors, may conduct an auction among two or more of the Qualified Bidders and bring the highest auction bid to Court for approval.

Sale Approval Motion Hearing

18. At the hearing of the motion to approve a Qualified Offer (the "**Sale Approval Application**") the Monitor shall seek, among other things, approval from the Court to accept a Qualified Offer and to complete the underlying transaction.

Confidentiality and Access to Information

19. Participants and prospective participants in the SSISP shall not be permitted to receive any information that is not made generally available to all Qualified Bidders.

20. It is not currently contemplated that any director, officer or senior management employee of the Debtor as of the date of the Initial Order ("**Management**") will have any interest in any Qualified Bidder, including any economic, employment, contractual or other interest in such Qualified Bidder. If any Management has or acquires any such interest in a Qualified Bidder, it shall promptly disclose such interest to the Monitor. Upon being informed of such interest, the Monitor shall take such actions as its deems appropriate to preserve the integrity of the SSISP in light of such interest, which actions may include placing restrictions on the information disclosed to such person in connection with the SSISP and competing bids and bidders.

NO. S-205095
VANCOUVER REGISTRY

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

NOTICE OF APPLICATION

LAWSON LUNDELL LLP

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27149.137705.LEA.21712213.3

No. S-225423
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF EVERGREEN HOUSE DEVELOPMENT LIMITED PARTNERSHIP and PORT CAPITAL DEVELOPMENT (EV) INC.

Between

DOMAIN MORTGAGE CORP.

Petitioner

and

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

Respondents

AFFIDAVIT

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5

Attention: Scott H. Stephens
File No. 37943-0002