

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

FEB 24 2016

ENTERED



NO. S148656
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

AND

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

AND

IN THE MATTER OF
PRETTY ESTATES LTD.

PETITIONER

CONSENT ORDER
(Meeting Order)

BEFORE ~~A JUDGE OF THE COURT~~) WEDNESDAY THE 24th DAY
)
) OF FEBRUARY, 2016

ON THE APPLICATION of the Petitioner without a hearing and BY CONSENT:

THIS COURT ORDERS AND DECLARES THAT:

1. All capitalized terms in this Order shall, unless defined or otherwise stated herein, have the meaning given to them in the Claims Process Order made June 23, 2015.
2. Each Creditor which:
 - (a) filed a Proof of Claim with the Monitor on or before the Claims Bar Date; and
 - (b) did not receive a Notice of Disallowance with respect to their Claim,has a "Proven Claim" in the amount set out in the Proof of Claim which they filed with the Monitor.

3. Each Creditor that has a Proven Claim and does not fall within the meaning of “Excluded Creditor”, as that term is defined in the Plan, is a “**Voting Creditor**” for the purposes of this Order. Excluded Creditors are not affected by the Plan.

Plan of Compromise and Arrangement

4. The Plan of Arrangement dated for reference February 22, 2016, attached as **Schedule “A”** to this Order (the “**Plan**”), is hereby accepted for filing and the Petitioner is hereby authorized to present the Plan to the Creditors for their consideration in accordance with the terms of this Order and to seek approval of the Plan by the Voting Creditors at the Creditors’ Meeting.

Meeting of Creditors

5. The Petitioner is authorized and directed to hold a meeting of the Voting Creditors (the “**Creditors’ Meeting**”) for the purpose of seeking the approval of the Plan **at 10:00 a.m. on Thursday, March 3, 2016** at Suite 1600- 925 West Georgia Street, Vancouver, B.C., or, if adjourned, at such time and place as the Petitioner may determine in consultation with the Monitor.
6. The Creditors’ Meeting, subject to the express terms of this Order, shall be called, held and conducted in accordance with the CCAA, any further Order of this Court and the rulings and directions of the chairperson of the Creditors’ Meeting (the “**Chairperson**”), and this Court declares and confirms that no other meetings of any additional classes of Creditors, Persons or of shareholders of the Petitioner are required.

Notice of Creditors’ Meeting and Meeting Materials

7. By 5:00pm on **Friday, February 26, 2016**, the Monitor will send to the Voting Creditors in the manner prescribed in this Order, copies of the following documents (collectively, the “**Meeting Materials**”):
 - (a) the Notice of Meeting of Creditors substantially in the form attached as **Schedule “B”** to this Order (the “**Meeting Notice**”);
 - (b) this Order (without Schedules);

- (c) the Plan, in the form attached as Schedule "A" to this Order;
 - (d) the Monitor's Ninth Report in respect of the Plan;
 - (e) a proxy (the "**Proxy**"), substantially in the form attached hereto as **Schedule "C"**;
and
 - (f) a voting letter (the "**Voting Letter**"), substantially in the form attached hereto as **Schedule "D"**.
8. The Monitor shall post copies of the Meeting Materials on the Monitor's website at <http://www.g-forcegroup.ca/>.
9. The Monitor may deliver the Meeting Materials to the Voting Creditors by ordinary mail, personal delivery, email, facsimile or other electronic means, or any combination thereof, as determined by the Monitor in its sole discretion, and such delivery will constitute good and sufficient delivery of the Meeting Materials. Mailing shall be deemed to be effective service on the second (2nd) day following such mailing. Delivery by facsimile or other electronic means shall be deemed effective on the date and time such facsimile or other electronic transmission is made.
10. The delivery of the Meeting Materials to the Voting Creditors in accordance with the requirements of this Order shall constitute good and sufficient service of this Order and other documents referred to in this Order on all persons who may be entitled to receive notice and attend or vote in person or by proxy at the Creditors' Meeting or any adjournment thereof, and no other notice of service need be given or made and no other document or material need be served.
11. The accidental omission to deliver the Meeting Materials to, or the non-receipt of such Meeting Materials by, one or more Creditors or other Persons, shall not invalidate any resolution passed or proceedings taken at the Creditors' Meeting.

Forms of Documents

12. The forms of Meeting Notice, Proxy and Voting Letter attached as Schedules to this Order are hereby approved. The Petitioner may, from time to time, make changes to such

forms provided the Monitor does not object to such changes and such changes are not substantive.

Conduct of the Creditors' Meeting

13. Gary Powroznik of the Monitor, or such other representative of the Monitor as it may designate, shall be the Chairperson of the Creditors' Meeting. The Monitor shall provide scrutineers for the supervision and tabulation of the attendance, quorum and votes to be conducted at the Creditors' Meeting.
14. A representative of the Monitor designated by the Chairperson shall act as secretary at the Creditors' Meeting.
15. The only persons entitled to notice of, or to attend, the Creditors' Meeting shall be:
 - (a) the Monitor and any person designated by the Monitor;
 - (b) officers and directors of the Petitioner;
 - (c) Voting Creditors (including the holders of Proxies for them);
 - (d) legal counsel to any person entitled to attend the Creditors' Meeting, including legal counsel to the Petitioner; and
 - (e) any person admitted to the Creditors' Meeting on the invitation of the Chairperson.
16. The quorum for the purposes of the Creditors' Meeting shall be one Voting Creditor present in person or by proxy. If the requisite quorum is not present at the Creditors' Meeting or if the Chairperson exercises his sole discretion to adjourn the Creditors' Meeting, then the Creditors' Meeting shall be adjourned on such terms as are considered appropriate by the Chairperson and to such time and place as may be determined by the Chairperson.
17. The Chairperson shall be entitled to adjourn and further adjourn the Creditors' Meeting at the Creditors' Meeting or any adjourned Creditors' Meeting provided that any such adjournment or adjournments shall be for a total period of not more than thirty (30) days.

18. In the event of any adjournment of the Creditors' Meeting, the Petitioner shall not be required to deliver any notice of the adjournment other than either announcing the adjournment at the Creditors' Meeting or posting notice of the adjournment at the originally designated time and location of the Creditors' Meeting or any adjourned Creditors' Meeting.

Voting Procedure at Creditors' Meeting

19. At the Creditors' Meeting, the Chairperson shall direct a vote, by written ballot (except in the case of Voting Letters, in which case the Voting Letter shall stand as the written ballot), on a resolution to approve the Plan and the transactions contemplated therein and any amendments to the Plan made in accordance with the terms thereof.
20. Each Voting Creditor that has Proven Claim valued at \$1000.00 or less shall be deemed to vote to approve the Plan unless such Voting Creditor votes against approval of the Plan in accordance with the procedure set out in this Order.
21. For the purposes of calculating the required majority pursuant to the CCAA at the Creditors' Meeting, each Voting Creditor shall be entitled to:
- (a) one vote for the purposes of determining the simple majority in number; and
 - (b) one vote for each \$1.00 of its Proven Claim for the purposes of determining the two-thirds majority in value of those Voting Creditors who actually vote upon the Plan in person, by Proxy, or by Voting Letter.
22. In order to be valid at the Creditors' Meeting, a Proxy or Voting Letter must be provided to the Monitor by no later than 5:00 p.m. (Vancouver time) on the last business day prior to the date of the Creditors' Meeting. Notwithstanding the foregoing, the Monitor shall have the discretion to accept for voting purposes any Proxy or Voting Letter signed by a Voting Creditor and delivered to the Monitor prior to the commencement of the Creditors' Meeting (or any adjournment thereof). The Monitor, in its sole discretion, may accept or reject for voting purposes any Proxy or Voting Letter delivered to the Monitor, subject to the right of such Voting Creditor to appeal the decision of the Monitor to the Court the Monitor shall keep records and tabulations of the vote cast.

Application for Sanction Order

23. The Monitor shall report to the Court the results of the Creditors' Meeting. If the Plan is approved by the required majority of the Voting Creditors, the Petitioner shall bring on an application seeking an Order sanctioning the Plan (the "**Sanction Order**") together with such ancillary relief necessary to implement the Plan.
24. Any Person wishing to receive materials and appear at the hearing of the application for the Sanction Order (the "**Sanction Order Hearing**"), other than the Petitioner, the Monitor and those persons on the service list in these proceedings, shall, by no later than 12:00 p.m. (Vancouver time) on the business day immediately following the date of the Creditors' Meeting, deliver notice to the Petitioner in the manner and form set out in **Schedule "E"** (a "**Notice of Intended Opposition**"), blank copies of which the Monitor shall make available to all persons present at the Creditors' Meeting. The Petitioner shall provide a copy of all materials filed by the Petitioner in respect its application for the Sanction Order to each Person who delivers a Notice of Intended Opposition to the Petitioner in accordance with the terms of this Order (each such Person is a "**Respondent**") no later than 5:00 p.m. on the business day that is immediately following the date of the Creditors' Meeting by sending electronic copies of such materials to the email address provided in the Notice of Intended Opposition. Each Respondent wishing to appear at the Sanction Order Hearing shall file and serve an Application Response on the solicitors for the Petitioner no later than 12:00pm on the day before the date of the Sanction Order Hearing.
25. The Sanction Order Hearing will take place at 10:00 a.m. on Wednesday March 9, 2016 or such later date as may be set by the Petitioner in consultation with the Monitor and the Court Scheduling (the "**Approval Hearing Date**"). The Petitioner shall serve notice of the Approval Hearing Date upon each person entering a Response in these proceedings and such service will constitute good and sufficient service of the application for the Sanction Order. No notice of any postponement or adjournment of the Plan Approval Hearing Date will be given to any person who has not entered a Response in these proceedings unless written request for such notice is received by counsel for the Petitioner.

26. If the Sanction Order Hearing is postponed or adjourned, only those parties on the service list in these proceedings, persons who have filed and served a Response or persons who have made written request of counsel for the Petitioner in accordance with paragraph 24 above, shall be served with notice of the adjourned date.
27. The Monitor may apply to this Court for advice and directions with respect to the implementation of this Order.

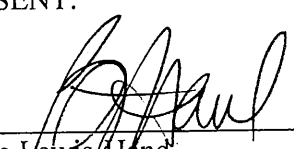
Changes and Directions

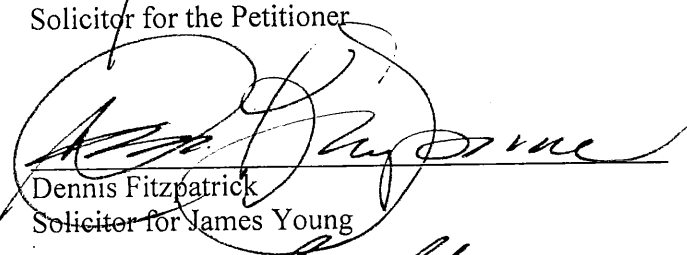
28. The Petitioner may file any modification of, or amendment or supplement to the Plan by way of a supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) filed with the Court at any time, or from time to time, prior to the Creditors' Meeting, (an "**Amendment**") in which case any such supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) shall, for all purposes, be and be deemed to be a part of and incorporated into the Plan. If the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Creditors under this Plan (a "**Non Material Change**") then the Petitioner may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice in writing which shall be sufficient if given to those Creditors present at such Meeting in person or by proxy and any and all voting letters or proxies shall continue to be valid in respect of any modification, amendment or supplement to the Plan.
29. If prior to the Creditors' Meeting the Petitioner proposes an Amendment that in the opinion of the Monitor is not a Non Material Change, then written notice of the Amendment shall be mailed to the Voting Creditors at least two days prior to the Creditors' Meeting, and the Creditors' Meeting shall, if necessary, be adjourned accordingly. Unless revoked all existing voting letters or proxies shall continue to be valid in respect of any such Amendment.
30. After the Creditors' Meeting (and both prior to and subsequent to obtaining of the Sanction Order), the Petitioner may at any time and from time to time vary, amend, modify or supplement the Plan only as it affects the general body of unsecured Creditors

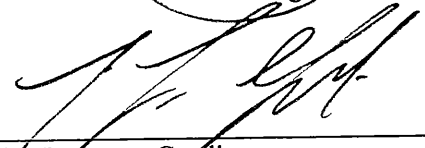
without the need for obtaining an Order of the Court or providing notice to the Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. In the event a material variation, amendment, modification or supplement is required by the Petitioner, such shall be permitted by Court Order.

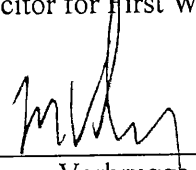
31. Any party affected by this Order may apply to this Court for an alteration or variation of this Order or direction as to the implementation of this Order upon two (2) days' notice to the Monitor and the Petitioner.
32. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioner, is hereby dispensed with.

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

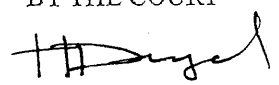

 Bonita Lewis Hand
 Solicitor for the Petitioner


 Dennis Fitzpatrick
 Solicitor for James Young


 Tim Louman-Gardiner
 Solicitor for First West Credit Union


 Magnus Verbrugge
 Solicitor for the Monitor

BY THE COURT


 REGISTRAR



SCHEDULE "A"

PLAN OF ARRANGEMENT

NO. S148656
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

AND

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

AND

IN THE MATTER OF
PRETTY ESTATES LTD.

PLAN OF ARRANGEMENT

DATED FOR REFERENCE
FEBRUARY 22, 2016

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PLAN OF ARRANGEMENT AND COMPROMISE
Pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36

FILED BY:

Pretty Estates Ltd.
(the "Company")

(See "*Definitions & Interpretation*" for meaning of defined terms.)

WHEREAS:

- A. On November 10, 2014, the Company filed for protection under the CCAA and the *Business Corporations Act* of British Columbia and obtained the Initial Order.
- B. During the course of the CCAA Proceedings, the Company worked to resolve operational issues that negatively affected the Company's financial situation and sought to obtain a purchaser of the assets or shares of the Company.
- C. The Company is now in a position to present this Plan of Arrangement to its unsecured creditors for their consideration and approval.

ARTICLE 1.
DEFINITIONS AND INTERPRETATION

1.01 Definitions

In the Plan, including the recitals hereto, unless otherwise stated or the context otherwise requires:

"Administration Charge" means the charge created in the Initial Order, as amended from time to time, and includes the Subordinate Administration Charge created by the order pronounced on December 15, 2015, in the CCAA Proceedings.

"Business" means the business carried on by the Company including the operation of "Pretty Estates Resort" which consists primarily of SandPiper Golf Course, River's Edge Restaurant, a Gatehouse with rental accommodations and four for-rent cottages.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in British Columbia.

"CCAA" means the *Companies' Creditors Arrangement Act (Canada)*, R.S.C. 1985, c. C-33, as amended from time to time.

"CCAA Proceedings" means the proceedings commenced by the Company pursuant to the CCAA, as filed in the British Columbia Supreme Court, Vancouver Registry, Action No. S-148656.

“Certificate of Completion” means the certificate issued by the Monitor and filed with the Court as provided in Section 8.06 of the Plan.

“Certificate of Condition Removal” means the certificate issued by the Monitor and filed with the Court as provided in Section 8.05 of the Plan.

“Chairperson” means a person designated by the Monitor who shall preside as the chair of the Creditors’ Meeting.

“Claim” shall include any Proven Claim and any other right or claim of any Creditor against the Company, whether or not asserted, in connection with any indebtedness, liability or of any kind of the Company owed to such Creditor, and any interest accrued thereon or costs payable in respect thereof, including any indebtedness, liability or obligation owed to such Person as a result of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership or of title to property or assets or to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, not matured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Creditor to advance a claim of contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Filing Date, and any indebtedness, liability or obligation of any kind arising out of the repudiation, restructuring or termination of any contract, lease, employment agreement, or other agreement after the Filing Date and other steps taken in pursuance of a Plan under the CCAA.

“Claims Process Order” means the Order of the Court pronounced in the CCAA Proceedings on July 23, 2015, which provided the process for the filing and determination of Claims against the Company.

“Closing” has the same meaning as that term is defined in the Share Purchase Agreement.

“Closing Loan” has the same meaning as that term is defined in the Share Purchase Agreement.

“Company” means Pretty Estates Ltd.

“Court” means the Supreme Court of British Columbia.

“Creditor” means a Person having a Claim against the Company.

“Creditors’ Meeting” means the meeting of the General Creditors Class to be held pursuant to the Meeting Order, and any adjournment thereof.

“DIP Facility” means the debtor-in-possession financing authorized by the Initial Order, as amended from time to time thereafter including, without limitation, by the Order of the Court pronounced in the CCAA proceedings on December 15, 2015.

“DIP Lender” means Varsity Capital Corporation.

“Direction to Pay” has the meaning ascribed in Section 5.01.

“Directors’ Charge” means the charge created by the Initial Order in favour of the officers and directors of the Company.

“Distribution” means the distribution to be made to the General Creditors from the Plan Payment in the manner and for the amounts set out in this Plan.

“Distribution Date” means the date which is five Business Days after the date on which the Monitor receives the Plan Payment.

“Excluded Claims” means (i) the Directors’ Charge and the Administration Charge created and approved by the Court in the Initial Order as amended from time to time thereafter including, without limitation, the Subordinated Administration Charge (ii) the DIP Facility; (iii) Secured Claims; (iv) Related Party Unsecured Claims; and (v) any Claim referred to in sections 6(3) and 6(5) of the CCAA.

“Excluded Creditors” means all Creditors that have Excluded Claims.

“Filing Date” means November 10, 2014.

“General Creditors” means all Creditors except Excluded Creditors.

“General Creditor Class” means all General Creditors.

“Governmental Authority” means any foreign, domestic, federal, territorial, state or local governmental entity, quasi-governmental authority, court, commission, board, bureau, agency or instrumentality, or any regulatory, administrative or other department or agency, or any political or other subdivision, department or branch of any of the foregoing.

“Initial Order” means the Order granted by the Court in the CCAA Proceedings on November 10, 2014 as amended or extended from time to time thereafter.

“Meeting Order” means the Order of the Court granted in the CCAA Proceedings on February 24, 2016, and any amendments thereto.

“Monitor” means G. Powroznik Group Inc. of the G-Force Group, in its capacity as the Monitor appointed pursuant to the Initial Order.

“Person” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint

venture, Governmental Authority, any agency, officer or instrumentality thereof or any other entity;

“Plan” means this Plan of Arrangement between the Company and its General Creditors, as from time to time amended, modified or supplemented pursuant to an Order of the Court, as provided for herein or pursuant to the Creditors’ Meeting.

“Plan Implementation Date” means the date on which all of the conditions precedent to the implementation of this Plan as set for in Section 8.04 have been satisfied or waived.

“Plan Payment” means the sum which the Principal shall deliver to the Monitor in order to make the payments to General Creditors that is provided for Section 5.03 of the Plan.

“Principal” means Betty Anne Faulkner and /or 700256 B.C. Ltd.

“Proof of Claim” means the form appended as Schedule D to the Claims Process Order as completed by a Creditor and filed with the Monitor.

“Proven Claim” means a Claim for which a Proof of Claim has been filed with the Monitor pursuant to the Claims Process Order which was accepted by the Monitor or approved by the Court in the CCAA Proceedings.

“Purchaser” means Canadian Aurora Investment Ltd.

“Related Parties” means the Persons that have a legal or beneficial interest in the shares of the Company that are the subject of the Share Purchase Agreement and any Person related to a Person named as a vendor in the Share Purchase Agreement, and “Related Party” means any one of them.

“Related Party Unsecured Claims” means:

- (a) Claims of Related Parties that are not Secured Claims, and
- (b) Claims of Related Parties arising from any deficiency on their Secured Claims after receipt of payment from the proceeds of the Closing Loan.

“Released Party” and “Released Parties” has the meaning ascribed in Section 7.03 of the Plan.

“Sanction Order” means the Order given in the CCAA Proceedings sanctioning the Plan and the implementation of the transactions in the Plan as contemplated herein.

“Secured Claim” means a Claim in respect of which, as security therefor, the Creditor having such Claim holds the benefit of a valid, perfected and enforceable (all within the meaning of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359) charge (together

with all security agreements and other documents in connection therewith) or a charge registered in the Land Title Office against title to the lands owned by the Company.

“Secured Creditors” means all Creditors that have a Secured Claim.

“Share Purchase Agreement” means the agreement for the purchase of all of the outstanding and issued shares of the Company, and all recitals and schedules thereto, between the shareholders of the Company, as vendors, and the Purchaser, as purchaser, dated for reference December 31, 2015.

1.02 Interpretation

In this Plan, unless otherwise stated or the context otherwise requires:

- (a) the division of the Plan into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Plan;
- (b) the words “hereunder”, “hereof” and similar expressions refer to this Plan and not to any particular Article, Section or Schedule and references to “Articles”, “Sections”, and “Schedules” are to Articles and Sections of and Schedules to this Plan;
- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the word “including” means “including without limiting the generality of the foregoing”;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;
- (f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time;
- (g) a reference to currency means Canadian currency unless otherwise stated;
- (h) a reference to an entity includes any entity that is a successor to such entity; and
- (i) the recitals do not form part of the Plan.

1.03 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

1.04 Date for Any Action

If any date on which any action required to be taken hereunder by a Person is not a Business Day, such action must be taken on the next succeeding day which is a Business Day.

ARTICLE 2.
PURPOSE AND EFFECT OF THE PLAN

2.01 Purpose of the Plan

The purpose of the Plan is to maximize the recovery available for the benefit of the General Creditors through the Plan Payment, and to allow the Company to continue in business.

2.02 Objective of the Plan

The objective of the Plan is to restructure the unsecured obligations of the Company to enable it to make a payment to General Creditors that will result in a higher recovery than they would receive on a liquidation of the Company's assets.

2.03 Persons Affected by the Plan

The General Creditors are affected by this Plan.

2.04 Binding Effect

The Plan, and compromise and release of Claims under the Plan, shall be binding upon all General Creditors, and each of their successors and assigns (as the case may be).

ARTICLE 3.
SUMMARY OF THE PLAN

3.01 Summary of the Plan

Upon Closing of the Share Purchase Agreement, the Principal has agreed to cause the Plan Payment to be provided to the Monitor for Distribution in accordance with the Plan.

As of the Plan Implementation Date, the Claims of all General Creditors against or in relation to the Company will be forever compromised, settled, released and extinguished.

The Monitor will make the Distribution on the Distribution Date.

ARTICLE 4.
CREDITORS' MEETING AND VOTING

4.01 Creditors' Meeting

The Creditors' Meeting shall be conducted in accordance with the terms of the Meeting Order.

4.02 Entitlement to Vote on Plan

The only Creditors entitled to vote on the Plan shall be members of the General Creditor Class who have a Proven Claim.

4.03 Approval of General Creditor Class

In order for the Plan to be binding on the General Creditors in accordance with the CCAA, it must first be accepted by the General Creditor Class, by both:

- (a) a majority in number of General Creditors who actually vote upon the Plan (in person, by proxy, or by voting letter) at the Creditors' Meeting or who are deemed to vote in favour of the Plan in accordance with Section 4.04; and
- (b) a two-thirds majority in value of the Proven Claims of the General Creditors who actually vote upon the Plan (in person, by proxy or by voting letter) at the Creditors' Meeting or who are deemed to vote in accordance with the Plan in accordance with the terms of Section 4.04.

4.04 Voting

For the purposes of voting as a member of the General Creditor Class:

- (a) each General Creditor shall have one vote for the purposes of determining a majority in number and each General Creditor shall be entitled to one vote for each \$1.00 of its Proven Claim for the purposes of determining a two-thirds majority in value;
- (b) each General Creditor that has a Proven Claim of \$1000 or less shall be deemed to have voted to approve the Plan unless such General Creditor delivers a Voting Letter to the Monitor in accordance with the Meeting Order indicating that they disapprove of the Plan or attends the Creditors' Meeting in person or by proxy and votes against the Plan.

4.05 Adjournment of Creditors' Meeting

The Chairperson of the Creditors' Meeting may in its complete discretion and with the consent of the Company, adjourn the Creditors' Meeting from time to time.

ARTICLE 5. PAYMENT AND COMPROMISE OF CLAIMS

5.01 Payment of Plan Payment to the Monitor

Prior to the Closing of the Share Purchase Agreement, the Principal shall provide an Irrevocable Direction to Pay to its solicitors authorizing same to make the Plan Payment to the Monitor from the proceeds of the Closing Loan (the "Direction to Pay").

5.02 Compromise of Claims

Upon the delivery of the Plan Payment to the Monitor, all obligations of the Company to General Creditors shall be compromised, settled, released and extinguished pursuant to the Plan.

5.03 Payment of Proven Claims in General Creditor Class

On the Distribution Date, the Monitor shall make the following Distribution to the General Creditors:

- (a) All Proven Claims of General Creditors that are less than \$1,000 will be paid in full; and
- (b) All Proven Claims of General Creditors that are greater than \$1,000 will be paid as follows:
 - i. The first \$1,000 of the amount owing with respect to each Proven Claim will be paid; and
 - ii. Twenty (20) percent of the balance owing with respect to each Proven Claim will be paid.

The amounts payable to the General Creditors in accordance with Section 5.03(a) and (b) of the Plan will be made by cheque delivered by regular mail addressed in accordance with Section 9.04, to be post marked on the Distribution Date, and upon posting with Canada Post, the Distribution will be deemed to have been made to the General Creditors whether received by the General Creditors or any of them.

5.04 Government Priority Claims

Within six months after the date of the Sanction Order, the Company shall pay in full to any applicable Governmental Authority all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the *Income Tax Act*;
- (b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a purpose similar to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, and the sum
 - i. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*, or
 - ii. is of the same nature as a contribution under the *Canada Pension Plan* if the province is a province providing a comprehensive pension plan as defined in

subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a provincial pension plan as defined in that subsection.

ARTICLE 6.

AMENDMENTS AND MODIFICATIONS

6.01 Amendment of the Plan

The Company reserves the right, at any time, to amend the Plan, provided that the Company has obtained the Purchaser's consent. Any amendment will only be re-submitted to the General Creditors if the amendment, in the opinion of the Monitor, has a negative or detrimental effect on the Creditors or the Plan. This Plan may also be amended between the Company and the General Creditor Class at the Creditors' Meeting.

6.02 Modification of Plan

After the Creditors' Meeting, the Plan may be modified:

(a) by the Company with:

- i. the consent of the Monitor, and
- ii. the consent of the Purchaser.

provided that any amendment to the Plan made subsequent to the Creditors' Meeting is not, in the opinion of the Monitor, material to one or more General Creditors or other Persons (i.e. is merely of a technical or administrative nature); and

(b) if the proposed amendment is material to one or more General Creditors or other Persons, by the Court at any time on application of the Company or the Monitor and upon notice to those determined by the Company or the Monitor to be directly affected by the proposed modification, on which application the Plan may be modified as may be reasonably necessary to ensure the successful reorganization of the Company in accordance with the purposes of the Plan.

6.03 Effect of Amendments and Modification

Any amendments or modifications to the Plan in accordance with this Article will, for all purposes, be deemed to be a part of, and incorporated into, this Plan.

6.04 Severability

In the event that any provision of the Plan is determined to be unenforceable, at the Company's sole option, such determination shall in no way limit or effect the enforceability and operative effect of any other provision of the Plan.

ARTICLE 7.
EFFECT OF PLAN

7.01 Effect of Plan Generally

On the Plan Implementation Date, the treatment of Claims under the Plan will be final and binding on the Company and all General Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) irrespective of the jurisdiction in which such General Creditor resides or the Claims arise, and the Plan shall constitute a full, final and absolute settlement of all rights of the General Creditors in consideration of the Distribution made in accordance with the terms of the Plan.

7.02 Waiver of Defaults and Permanent Injunction

From and after the Plan Implementation Date:

- (a) all General Creditors shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company or caused by the Company, or non-compliance with any covenant, warranty, representation, term, provision, condition, obligation, express or implied in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereof, existing between such General Creditor and the Company, and any and all notices of default and demands for payment under any instrument, including any guarantee, shall be deemed to have been rescinded; and
- (b) all General Creditors shall be permanently and forever barred, estopped, stayed and enjoined with respect to Claims from:
 - i. commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against the Company;
 - ii. creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind other than as expressly permitted hereunder; and
 - iii. taking any actions to interfere with the implementation or consummation of the Plan.

7.03 Release

On the Plan Implementation Date, other than the right to enforce the Company's obligations under the Plan, the Share Purchase Agreement, or any related document, and the Secured Claims,

but, for certainty, any Claim to which an insurer is or would otherwise be subrogated is released hereunder and the recovery to which such Person shall be entitled shall be limited to the proceeds of insurance actually paid by the insurer with respect to the Claim;

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

ARTICLE 8.

APPLICATION FOR SANCTION ORDER AND CONDITIONS PRECEDENT

8.01 Application For Sanction Order

If the Plan has been approved by the General Creditor Class at the Creditors' Meeting by the requisite majorities as established under the CCAA, the Company will immediately apply to the Court for the Sanction Order.

8.02 Continuation of the Stay of Proceedings

The stay of proceedings granted by the Court in the Initial Order will be continue in full force and effect save as is expressly provided herein and as may be amended by the Sanction Order until the Monitor files a Certificate of Completion with the Court.

8.03 Terms of Sanction Order

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

- (a) declare that the arrangements effected by the Plan are approved, binding and effective upon all General Creditors and other Persons affected by the Plan (but not upon Excluded Creditors) and release and discharge the Company from any and all indebtedness, obligations and liabilities, as and to the extent provided in the Plan;
- (b) release and discharge the Company and Released Parties from any and all Claims subject to and in accordance with the Plan and stay any and all steps or proceedings, including, without limitation, administrative orders, declarations or assessment commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any and all past, present and future directors, officers and employees of the Company (in those capacities) in respect of all Claims and discharge all past and present directors, officers and employees of the Company from any liability with respect to all Claims of General Creditors, all to the extent provided for in the Plan up to the filing of the Certificate of Completion;
- (c) confirm and give effect to the releases, waivers, permanent injunctions and other provisions contemplated by the Plan;

- (d) declare that the stay of proceedings under the Initial Order (as extended and amended by Order made in the CCAA Proceedings) continues generally until the Monitor files a Certificate of Completion with the Court;
- (e) order that, upon the filing of the Certificate of Completion by the Monitor:
 - i. the Company shall be released from the CCAA Proceedings; and
 - ii. the Monitor shall be discharged and released in relation to the Company except as provided for in the Plan.

8.04 Conditions Precedent to Implementation

The Plan Implementation Date is expressly subject to the fulfillment of all of the following conditions:

- (a) the approval of the Plan by the requisite majorities of the General Creditors pursuant to the CCAA;
- (b) the granting of the Sanction Order on the terms contemplated by this Plan or such other terms as are satisfactory to the Company and the Purchaser;
- (c) delivery of the Direction to Pay to the Principal's solicitors;
- (d) the Closing of the transaction that is the subject of the Share Purchase Agreement;
- (e) payment of Secured Claims;
- (f) repayment of the DIP Facility; and
- (g) releases being given by Related Parties in favour of the Company with respect to the Related Parties Unsecured Claims.

8.05 Certificate of Condition Removal

Upon the satisfaction of the conditions precedent set out in Section 8.04, the Monitor shall issue and file with the Court a certificate which states that all conditions precedent set out in this Plan have been satisfied (or, where applicable, waived), and that the Plan Implementation Date has occurred. In so certifying that the conditions precedent set out in this Plan have been satisfied (or where applicable, waived), the Monitor shall be entitled to rely upon certificates, representations and confirmations from the Company.

8.06 Certificate of Completion

Within 14 days after the Distribution Date, the Monitor shall issue and file with the Court a certificate confirming that the implementation of the Plan is complete (the "Certificate of Completion").

8.07 Emergence from CCAA Proceedings

Upon the filing of the Certificate of Completion by the Monitor, the Company shall be released from CCAA protection.

8.08 Discharge of Monitor

Upon completing the Distribution in accordance with Section 5.03, the Monitor shall be discharged.

ARTICLE 9. **GENERAL**

9.01 Further Assurances

Notwithstanding that the transactions and events set out in the Plan shall be deemed to occur without any additional act or formality other than as set out herein, each of the Persons affected hereby, including the Company, shall make, do and execute or cause to be made, done or executed all such further acts, deeds, agreements, transfers, assurances, instruments, documents or discharges as may be reasonably required by the Company or the Monitor in order to better implement the Plan.

9.02 Paramountcy

Except as otherwise provided in the Plan, from and after the Plan Implementation Date, any conflict between the Plan and the terms, conditions, covenants, representations, warranties, provisions or obligations, expressed or implied, of any contract, creditor document with General Creditors, agreement for sale, arrangement, constating or organizational documents of the Company (including any agreements of the security holders of the Company in respect thereof), lease or other agreement, written or oral and any and all amendments or supplements thereto existing among one or more of the General Creditors and the Company as of the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order which will take precedence and priority in respect thereof.

9.03 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or provided for in the Plan or unless its Claims overlap or are otherwise duplicative.

9.04 Notices

All notices and correspondence required or permitted or desired to be made pursuant to the Plan shall be in writing and shall be delivered by registered or certified mail, return receipt requested, or by email to the Company at the following address:

Pretty Estates Ltd.
14282 Morris Valley Rd.
Harrison Mills, BC
V0M 1L0

dchome@shaw.ca

Attention: Charlotte Faulkner

with a copy being sent to

Lawson Lundell LLP
Barristers & Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2

blewishand@lawsonlundell.com

Attention: Bonita Lewis-Hand

And if to a Creditor, at its address set forth in the last Proof of Claim or such other address of which notice may be given as herein provided.

9.05 Date and Reference

The Plan may be referred to as being the Plan of Arrangement of the Company dated for reference February 22, 2016.

Dated at the City of Vancouver, Province of British Columbia, this 22nd day of February, 2016.

Pretty Estates Ltd.

Per:

Authorized Signatory

SCHEDULE "B"

NOTICE OF CREDITORS' MEETING TO VOTE ON PLAN

**IN THE MATTER OF
PRETTY ESTATES LTD.
("Pretty Estates")**

TAKE NOTICE that by Order of the Supreme Court of British Columbia pronounced February 24, 2016, Pretty Estates has been directed to hold a meeting of creditors to consider the Plan of Arrangement (the "Plan") in the proceedings commenced under the CCAA in Supreme Court of British Columbia Action No. S-148656.

The Creditors' Meeting will be held at **10:00 a.m. on Thursday, March 3, 2016 at Suite 1600 – 925 West Georgia Street, Vancouver, B.C.**

In order to participate in any vote associated with the Plan or the CCAA proceedings, any party having a claim must have filed a Proof of Claim in accordance with the Claims Process Order pronounced July 23, 2015.

Copies of material relating to this proceeding can be found on the Monitor's website at <http://www.g-forcegroup.ca/>.

Enquiries related to this process may be directed to:

G-Force Group
Suite #250 – 750 Pender St. West
Vancouver, BC V6C 2T7
Attention: Gary Powroznik

Tel: 778-370-0003
Fax: 778-370-0043
Email: gpowroznik@g-forcegroup.ca

the following Persons (being herein referred individually as “Released Party” and collectively as the “Released Parties”):

- (a) the Company and its legal counsel;
- (b) the Monitor and its legal counsel;
- (c) present and former directors, officers and employees of the Company;
- (d) any Person claimed to be liable derivatively through any and all of the foregoing Persons;
and
- (e) Integrated Hospitality Management Ltd. and its directors, officers, and employee,

shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert including, without limitation, any claims in respect of potential statutory liabilities of the present and former directors, officers and employees of the Company, and any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the filing of the Certificate of Completion in any way relating to, arising out of or in connection with Claims, the Business and affairs of the Company, this Plan and the CCAA Proceedings to the full extent permitted by law, and all claims arising out of such actions or omission shall be forever waived and released provided that nothing herein shall:

- i. shall release or discharge any of the Released Parties from or in respect of their obligations under the Plan;
- ii. shall release or discharge a Released Party from an Excluded Claim or from a Claim which cannot be compromised under the CCAA;
- iii. shall release or discharge present or former directors of the Petitioner with respect to matters set out in Section 5.1(2) of the CCAA;
- iv. shall release or discharge a Released Party if the Released Party is determined by an Order of the Court to have committed wilful misconduct or gross negligence;
- v. affect the rights of any Person;
 - A. to recover indemnity from any insurance coverage under which that Person is an insured; or
 - B. to obtain recovery on a Claim against a Released Party from any insurance coverage pursuant to which that Released Party is insured,

SCHEDULE "C"

PROXY

NO. S148656

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**

AND

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

AND

**IN THE MATTER OF
PRETTY ESTATES LTD.**

PROXY

MEETING OF CREDITORS

to be held pursuant to the Meeting Order of the Supreme Court of British Columbia
made February 24, 2016 in connection with the Plan of Arrangement
made by Pretty Estates Ltd. under the *Companies' Creditors Arrangement Act* (the "Plan")
and at any adjournment thereof

**THIS PROXY MUST BE COMPLETED AND SIGNED BY THE VOTING CREDITOR
AND PROVIDED TO THE MONITOR, G. POWROZNIK GROUP INC. OF G-FORCE
GROUP, BY 5:00 P.M. ON MARCH 3, 2016 IF ANY PERSON ON THE VOTING
CREDITOR'S BEHALF IS TO ATTEND THE MEETING OF CREDITORS, OR ANY
ADJOURNMENT THEREOF, AND VOTE ON THE PLAN OR IF THE VOTING
CREDITOR WISHES TO APPOINT THE REPRESENTATIVE DESIGNATED BY THE
MONITOR TO ACT AS THE VOTING CREDITOR'S PROXY**

THE UNDERSIGNED VOTING CREDITOR hereby revokes all proxies previously given and
nominates, constitutes and appoints _____, or, if no name is
inserted in the blank space, Gary Powroznik of the Monitor as proxyholder for the undersigned
Voting Creditor, with power of substitution, to attend on behalf of and act for the Voting
Creditor at the Meeting of Creditors to be held in connection with the Plan and at any and all
adjournments thereof, and to vote the amount of the undersigned Voting Creditor's Proven Claim
at the nominee's discretion and otherwise act for and on behalf of the undersigned Voting

Creditor in respect of any amendments or variations to the above Plan and to any other matters that may come before the Creditors' Meeting or any adjournment thereof.

DATED this _____ day of _____, 2016.

Print Name of Voting Creditor

Signature of Voting Creditor or, if
the Voting Creditor is a corporation,
signature of an authorized signing
officer of the corporation

Title of Authorized Signatory for
Corporate Creditor

INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Voting Creditor has the right to appoint a person (who need not be a Voting Creditor) to attend, act and vote for and on behalf of the Voting Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed.
2. If no other person is named as proxy in the space provided above, Gary Powroznik of the Monitor, or such other representative of the Monitor as Mr. Powroznik may designate, shall be deemed to be appointed as proxyholder for the Voting Creditor, with power of substitution.
3. If a representative of the Monitor is appointed or is deemed to be appointed as proxyholder, this Proxy will be voted FOR approval of the Plan.
4. If this Proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Monitor.
5. This Proxy must be signed by the Voting Creditor or by the Voting Creditor's attorney duly authorized in writing or, if the Voting Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.
6. Valid proxies executed by the Voting Creditor and bearing or deemed to bear a later date shall revoke this Proxy. If more than one valid proxy for the same Voting Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and shall not be counted.

7. This Proxy must be sent to the Monitor by mail, courier, facsimile or email (in PDF format) at the address provided below so that it is received by the Monitor no later than 5:00p.m. (Vancouver time) on Wednesday, March 2, 2016.
-

The address of the Monitor is as follows:

G-Force Group
Suite #250 – 750 Pender St. West
Vancouver, BC V6C 2T7
Attention: Gary Powroznik

Tel: 778-370-0003
Fax: 778-370-0043
Email: gpowroznik@g-forcegroup.ca

SCHEDULE "E"

NOTICE OF INTENDED OPPOSITION

NO. S148656
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**

AND

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

AND

**IN THE MATTER OF
PRETTY ESTATES LTD.**

****IN ORDER TO BE EFFECTIVE, THIS NOTICE MUST BE SENT BY EMAIL TO THE
PETITIONER'S SOLICITORS AT THE FOLLOWING EMAIL ADDRESS BEFORE 12:00PM
ON THE DAY FOLLOWING THE CREDITORS MEETING:**

rpollard@lawsonlundell.com

NOTICE OF INTENDED OPPOSITION

TO: Pretty Estates Ltd. (the "Petitioner")

TAKE NOTICE that the undersigned Creditor wishes to receive materials filed by the Petitioner in support of the application for the Sanction Order (the "Application Materials") in accordance with the terms of the Meeting Order made February 24, 2016 in these proceedings (the "Meeting Order"). In accordance with the terms of the Meeting Order, the email address to which the Petitioner shall send electronic copies of the Application Materials is: _____.

Name of Creditor

Signature of Creditor

NO. S148656
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

AND

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

AND

IN THE MATTER OF
PRETTY ESTATES LTD.

MEETING ORDER



Barristers & Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2
Phone: (604) 685-3456
Attention: Bonita Lewis-Hand