

CONFIDENTIALITY AGREEMENT

BETWEEN:

G. Powroznik Group Inc., Receiver-Manager
of Morningstar Golf Club Ltd.

(“**Receiver**”)

AND:

(the “**Recipient**”)

CONTEXT:

- A.** The Recipient understands that G. Powroznik Group Inc. is the Receiver-Manager of the assets, undertakings and properties of Morningstar Golf Club Ltd. (the “**Company**”) appointed in a Court Action in the Supreme Court of British Columbia, Vancouver Registry, Action No. S-186288 (the “**Court Action**”) pursuant to an Order granted in the Court Action on June 1, 2018 (the “**Court Order**”), and in such capacity has the authority to offer the assets, undertakings and property of the Company (the “**Morningstar Assets**”) for sale with all offers being subject to approval of the Court.
- B.** Receiver and the Recipient wish to enter into discussions regarding the Recipient’s interest in considering the proposed purchase of substantially all of the lands, personal property, and material contracts of the Company (the “**Proposed Transaction**”).
- C.** Receiver intends to provide to the Recipient certain confidential information pertaining to the Morningstar Assets and the Company for review and consideration in order to facilitate discussions with respect to the Proposed Transaction.

THEREFORE, for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Parties) Receiver and the Recipient agree as follows:

In this Confidentiality Agreement:

“**Additional Information**” is defined in paragraph 1 of this Confidentiality Agreement;

“**Affiliate**” means an affiliate as that term is defined in the *Business Corporations Act* (British Columbia);

“**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Confidentiality Agreement to be given or made by a Party;

“**Confidential Information**” means any information relating to the Morningstar Assets, the Company, and/or the business operations of the Company, whether communicated in written

form, orally, visually, demonstratively, technically or by any other electronic form or other media, or committed to memory, and whether or not designated, marked, labelled or identified as confidential or proprietary, including:

- (i) Personal Information; and
- (ii) all analyses, compilations, records, data, reports, correspondence, memoranda, specifications, materials, applications, technical data, studies, electronic records or documents, derivative works, reproductions, copies, extracts, summaries or other documents containing or based upon, in whole or in part, the Morningstar Assets, the Company and/or the business operations of the Company,

but excluding information, other than Personal Information, which:

- (iii) is generally available to or known by the public, other than as a result of improper disclosure by the Recipient or any of its Representatives; or
- (iv) is or was obtained by the Recipient from a source other than Receiver or any of their Representatives, or any person bound by a duty of confidentiality to Receiver;

“Morningstar Assets” means the assets, undertakings and property of the Company included in the Court Order;

“Parties” means Receiver and the Recipient, collectively, and **“Party”** means any one of them;

“Personal Information” means any information in Receiver’s possession that relates to identifiable individuals; and

“Representatives” means the Affiliates of Receiver or Recipient, as the case may be, and each of their respective advisors, agents, consultants, directors, officers, management, employees, subcontractors, and other representatives, including accountants, auditors, financial advisors, lenders and lawyers.

1. The Recipient acknowledges that it has been provided with the Confidential Information and other written, oral, and electronic information, records, and documents with respect to the Morningstar Assets and/or the Company (the **“Additional Information”**) solely for its own use and on the basis and the terms as set out in this Confidentiality Agreement. For purposes of this Confidentiality Agreement, Additional Information does not include any information that has become generally available to the public other than as a result of a disclosure by the Recipient or any of its representatives.
2. The Recipient acknowledges that the Confidential Information is confidential and proprietary to Receiver and the Company.
3. The Recipient agrees to use the Confidential Information and the Additional Information solely for the purpose of evaluating the opportunity to purchase the Morningstar Assets. This is not an agreement to sell the Morningstar assets or an offer of sale. No agreement binding upon the Receiver

shall be deemed to exist, at law or equity, until the Receiver enters into a formal binding agreement for sale.

4. The Recipient will not disclose the Confidential Information or the Additional Information or the content of them except to its Representatives who are reasonably required to have such information for the sole purpose of evaluating on behalf of the Recipient the opportunity to purchase the Morningstar Assets. The Recipient will inform its Representatives of the confidential nature of the Confidential Information and the Additional Information and of the Recipient's obligations under this Confidentiality Agreement and will require its Representatives to be bound by this Confidentiality Agreement. The Recipient agrees that it shall be responsible for any breach of this Confidentiality Agreement by its Representatives.
5. The Recipient agrees to make all reasonable, necessary and appropriate efforts to safeguard the Confidential Information and Additional Information from disclosure to any person other than as permitted by this Confidentiality Agreement.
6. If the Recipient does not purchase the Morningstar Assets, or, in any event, at the request of the Receiver, it will return to Receiver all copies of the Confidential Information and the Additional Information in its possession or in the possession of its Representatives, and will destroy and delete all copies of any analyses, compilations, studies or other documents prepared by or for it which reflect or encompass any part of the Confidential Information or the Additional Information.
7. Without the prior written consent of Receiver, the Recipient will not, and will ensure that its Representatives do not, disclose to any entity or person either the fact that discussions or negotiations are taking place concerning a possible transaction with respect to the Morningstar Assets.
8. The Recipient and its Representatives further acknowledge that:
 - (a) Receiver has obtained the Confidential Information and the Additional Information from various sources. It has not independently verified any of the information, including financial or other information. Such information, statements, estimates or projections reflect various assumptions concerning anticipated results that may or may not prove to be correct and Receiver or its Representatives will not have any liability for such information;
 - (b) the Confidential Information and the Additional Information does not purport to contain all the information that might be relevant to the Recipient. Information relating to the Morningstar Assets, including without limitation, the physical, geographic and financial characteristics of the Morningstar Assets, is provided for information purposes and as a convenience to the Recipient and its Representatives only.
 - (c) no express or implied representation or warranty as to the accuracy or completeness of the Confidential Information or Additional Information, or any other information concerning the Morningstar Assets is provided to or gathered by the Recipient, is made by Receiver or its Representatives, and the Recipient agrees that Receiver and its

Representatives, will not have any liability, direct or indirect, to the Recipient or its Representatives, relating to or resulting from the Confidential Information or Additional Information, or the use by the Recipient or its Representatives of the Confidential Information or Additional Information, or reliance on any errors in or omissions from the Confidential Information or Additional Information.

- (d) Confidential Information, or the Additional Information, or of any other information given or statements made by the Receiver or its Representatives, either written or oral, and shall not be relied upon by the Recipient or its Representatives without independent investigation and verification.
9. Receiver reserves the right to withdraw, amend or replace all or any part of the Confidential Information or the Additional Information at any time, and they are under no obligation to provide the Recipient or its Representatives with access to any additional information.
 10. Receiver and its Representatives expressly disclaim any and all liability for any errors or omissions contained in the Confidential Information, the Additional Information, or any other oral or written communications given or made available to the Recipient or its Representatives.
 11. The Recipient hereby indemnifies and saves harmless Receiver and the Company from and against any loss or disclosure of the Confidential Information and the Additional Information and from all actions, proceedings, claims, demands, costs and damages in any way resulting from any breach or non-performance by the Recipient or its Representatives of any of its covenants or obligations under this Confidentiality Agreement.
 12. The Recipient acknowledges that any breach of this Confidentiality Agreement would cause serious and irreparable damage and harm to Receiver and the Company, and that remedies at law would be inadequate to protect against breach of this Confidentiality Agreement. Therefore, the Recipient agrees in advance to the granting of injunctive relief in favour of Receiver for any breach of the provisions of this Confidentiality Agreement and to the specific enforcement of the terms of this Confidentiality Agreement, without proof of actual damages, in addition to any other remedy to which Receiver would be entitled.
 13. The obligations set out in this Confidentiality Agreement with respect to Confidential Information will terminate only with respect to Confidential Information that becomes the property of the Recipient upon the closing, if any, of the Proposed Transaction, and will otherwise be perpetual.
 14. If the Recipient is comprised of more than one person or entity, all obligations hereunder are joint and several.
 15. Neither this Confidentiality Agreement nor any right or obligation under it may be assigned by the Recipient without the prior written consent of Receiver. This Confidentiality Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

16. Any Communication must be in writing and either:

- (a) delivered personally or by courier;
- (b) sent by prepaid registered mail; or
- (c) sent by facsimile, e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to Receiver at:
#250 - 750 W. Pender Street
Vancouver, BC V6C 2T7

Attention: Gary Powroznik
Tel No.: 778-371-0008
Facsimile No.: 778-370-0043
E-mail gpowroznik@g-forcegroup.ca

to the Recipient at:

Attention: _____
Tel No.: _____
Facsimile No.: _____
E-mail: _____

or at any other address as any Party may at any time advise the other by Communication given in accordance with this paragraph. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a business day then the Communication will be deemed to have been given or made and received on the next business day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth business day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission. Any Communication transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a business day or after 5:00 p.m. (local time of the recipient), the Communication will be deemed to have been given or made and received on the next business day.

17. No supplement, modification, amendment, waiver, discharge or termination of this Confidentiality Agreement or any paragraph of this Confidentiality Agreement is binding unless it is in writing and executed by the Party to be bound. No waiver of, failure to exercise, or delay in exercising, any section of this Confidentiality Agreement constitutes a waiver of any other section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

- 18. This Confidentiality Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that Province.
- 19. This Confidentiality Agreement may be signed and delivered by facsimile or other electronic means and may be executed in any number of counterparts, each of which will be deemed to be an original, and those counterparts will together constitute one and the same instrument. Delivery of this Confidentiality Agreement by facsimile, e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

The Parties have executed this Confidentiality Agreement as of the _____ day of _____, 2019.

_____	G. Powroznik Group Inc., Receiver-Manager
[Recipient]	
per: _____	per: _____
_____	_____
[Printed Name]	[Printed Name]
Title: _____	
Date: _____	

PLEASE RETURN TO:
Evan Powroznik
G. Powroznik Group Inc.
Email: epowroznik@g-forcegroup.ca
Cel: +1 778 883 9400
Tel: +1 778 370 0010
Fax: +1 778 370 0043