



No. S186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

NOTICE OF APPLICATION

Name of applicant: G. Powroznik Group Inc. of G-Force Group., Receiver of Morningstar Golf Club Ltd. (the "**Receiver**")

To: the Petitioner and all Respondents, and their counsel

TAKE NOTICE that an application will be made by the Receiver to the presiding Judge via telephone at the courthouse at 800 Smithe Street, Vancouver, BC V6Z 2E1 on June 28, 2021, at 9:45 a.m. for the order(s) set out in Part 1 below.

Part 1: ORDER(S) SOUGHT

SERVICE

1. An Order substantially in the form attached as **Schedule "A"** hereto, including, among other things, the following relief:
 - (a) abridging time for service of this Notice of Application;
 - (b) approving the asset purchase agreement between Realcor Golf Inc. ("**RGI**") and the Receiver (the "**APA**");
 - (c) approving the fees and disbursements of the Receiver and the Receiver's counsel;
 - (d) approving the activities of the Receiver;

- (e) discharging the Receiver's Charge relating to the within Receivership proceedings;
- (f) terminating these receivership proceedings;
- (g) discharging the Receiver.

Part 2: FACTUAL BASIS

1. Pursuant to an Order pronounced on June 1, 2018, (the "**Receivership Order**") by Madam Justice MacNaughton of the Supreme Court of British Columbia, G. Powroznik Group Inc. of G-Force Group ("**G-Force**") was appointed as the Receiver of the assets, undertakings and property of Morningstar Golf Club Ltd. (the "**Assets**").
2. The primary asset of Morningstar Golf Club Ltd. ("**MGC**") is a golf course located at 525 Lowry's Road, Parksville, B.C. ("**Morningstar**"). MGC's owners are Paul and Shayne McCracken (the "**McCrackens**") of Edmonton. The McCrackens purchased the Assets in early 2010 from the Petitioner Realcor Mortgage Corp. ("**Realcor**").
3. Realcor, who holds real estate assets for the Pension Fund of the International Union of Operating Engineers Local 115 (the "**OEPP**"), provided a vendor take-back mortgage to the McCrackens to enable them to purchase Morningstar.
4. Realcor developed a portion of development land adjacent to Morningstar but continued to hold a smaller remainder portion, referred to as ("**Lot G**"). Lot G is now legally owned by Lot G Holdings Ltd. ("**Lot G Holdings**") on behalf of the OEPP.
5. The McCrackens also controlled several Alberta companies, including Canada North Group Inc., which became insolvent. The Canadian Western Bank ("**CWB**") was a primary lender to Canada North Group and registered a second mortgage against MGC.
6. The McCrackens were unable to manage or support MGC and, in mid-May 2018, resigned as directors and disclaimed any further interest in MGC.
7. Realcor appointed G-Force as Receiver to preserve the going-concern business of Morningstar which was rapidly deteriorating.
8. Since appointment, the Receiver has worked to preserve (and where possible, increase) the asset value, attract a qualified buyer to purchase the assets at a competitive price, and, ultimately, increase the recovery for the creditors.
9. On October 4, 2019, Mr. Justice Brundrett of the Supreme Court of British Columbia (the "**Court**") granted an order that, *inter alia*, approved the activities and fees of the Receiver and the Receiver's counsel up to July 31, 2019, and increased the Receiver's borrowings to \$1,400,000 (the "**2019 Order**").
10. On April 22, 2021, Mr. Justice Mayer of the Court, granted an order (the "**April 22 Order**") that, *inter alia*:
 - (a) Approved the activities and fees of the Receiver to March 31, 2021, and the fees of the Receiver's counsel to February 28, 2021;

- (b) Authorized the Receiver to engage in a land exchange with Lot G Holdings;
- (c) Vested all of the rights title and interest to certain portions of the MGC lands in Lot G Holdings; and
- (d) Increased the Receiver's borrowings to \$2,190,000.

Summary of the Receiver's Activities since September 24, 2019

11. Since September 24, 2019, the Receiver has undertaken the following activities, all of which are more fully particularized in the Receiver's First Report dated September 24, 2019 (the "**First Report**"), the Receiver's Second Report dated April 14, 2021 (the "**Second Report**"), and the Receiver's Third Report dated May 11, 2021 (the "**Third Report**"), and collectively with the First Report and the Second Report, the "**Reports**"):
- (a) engaged and hired management companies with extensive golf course management experience to continue the operations of Morningstar;
 - (b) provided oversight and support for material matters for Morningstar's operations and capital improvements;
 - (c) managed and paid out outstanding operational liabilities and professional costs;
 - (d) maintained operating accounts for the operating business and the Receiver, including banking, credit card processing, utilities, security, WorkSafeBC and Canada Revenue Agency;
 - (e) closed, opened and managed operations in response to the COVID-19 Pandemic in accordance with BC Pandemic Guidelines and Orders;
 - (f) in coordination with management, developed programs and processes to build revenue and attain a break-even financial performance;
 - (g) completed complex and necessary remediation and repair work to the course including, reinstating the access to the use of recycled water from the Nanaimo Regional District's treatment plant; deferred maintenance on the irrigation system, remedying soil contamination, assessing and addressing issues with dam compliance; soil contamination; fuel storage; and improving overall course design and play experience;
 - (h) corresponded and consulted with creditors, primarily focused on the two main secured creditors Realcor and CWB;
 - (i) provided status updates on performance and operations to Realcor;
 - (j) reviewed monthly operating and financial reports;
 - (k) prepared and filed required reports under the *Bankruptcy and Insolvency Act*;
 - (l) undertook marketing and public relations efforts to simultaneously build demand for Morningstar membership and entice potential purchasers;

- (m) pursued and developed an opportunity to sell MGC with some of the adjacent lands to increase the potential purchase price for the assets of MGC;
 - (n) maintained and updated the Receiver's website and a data room for potential purchasers to conduct due diligence in furtherance of a purchase;
 - (o) conducted protracted negotiations for a complex lease/purchase agreement with a potential purchaser that did not complete; and
 - (p) pursued and developed the potential for a credit bid with Realcor as an alternative to a sale to a third party.
12. Since the start of the Receivership:
- (a) a significant investment had been made to bring Morningstar's golf experience and course condition to levels not experienced in many years;
 - (b) there had been higher restructuring costs due to years of deterioration and high continuing operating losses; and
 - (c) a much higher level of additional Receiver's borrowings was required than expected to cover the increased costs incurred since there was no pending sale from which these accumulated costs could be recovered.
13. In early 2020, the COVID pandemic negatively impacted the operations of Morningstar and, more specifically, the onset of the pandemic:
- (a) forced Morningstar to cease operations from March 23, 2020, until April 20, 2020;
 - (b) slowed membership renewal and discouraged new memberships;
 - (c) reduced the number of people permitted in the clubhouse and pro shop leading to decreased revenue;
 - (d) increased labour and cleaning costs;
 - (e) impaired the ability to secure new leased golf carts due to supply chain disruptions;
 - (f) increased operating losses;
 - (g) added professional fees; and
 - (h) caused the sale solicitation process to lose momentum.
14. When Morningstar resumed operations, given the ability to socially distance and golf being generally safer than other activities during the pandemic, there was an increased demand for golf and membership at Morningstar, resulting in an improvement in a number of year over year financial indicators, such as a:
- (a) 22.8% increase in revenue;
 - (b) 47% increase in memberships;

- (c) 20.6% increase in the number of rounds of golf played; and a
- (d) 6.8% reduction in costs.

Marketing and Sales Activities

15. Since September 2019, the Receiver has undertaken the following marketing and sales activities:
- (a) identified and reached out to an extensive prospect list including developers from B.C. and Alberta, companies specializing in hospitality and development, investors and operators of golf courses, private equity, foreign investors, lawyers specializing in real estate, and other influencers with clients that could be interested in the Assets;
 - (b) widely marketed the Assets and actively encouraged real estate brokers to bring forward potential buyers;
 - (c) issued press releases beginning in June 2018 to all major print media outlets on Vancouver Island (and select ones in Vancouver);
 - (d) engaged reporters to write periodic stories in local newspapers and in BC Golf publications regarding the initiatives by new management at Morningstar, the significant improvements to the course in order to attract new prospects, and maintain market awareness of the improving investment opportunity;
 - (e) collected names of prospects who learned of the opportunity through Press Releases, news articles, contact with members, etc. and expressed interest of to acquire the MGC Assets and Lot G;
 - (f) prepared and updated marketing materials in English and Chinese;
 - (g) actively marketed the Assets on LoopNet, which is the largest internet listing service for real estate in Canada and the US markets;
 - (h) prepared a Confidentiality Agreement for each potential purchaser;
 - (i) gave operational tours of Morningstar to potential purchasers;
 - (j) created a secure, password-protected, electronic data room hosted on a third-party website (the "**Data Room**"). The Receiver continued to place relevant information in the Data Room to assist the serious prospects perform their due diligence and submit an offer to acquire the Assets;
 - (k) prepared a detailed Confidential Information Memorandum ("**CIM**") to summarize the key information about the receivership, the Assets, the sale process and limited available information about Lot G;
 - (l) prepared and provided additional due diligence information on MGC's operations, Assets, Lot G, options to consider for real estate development and on steps to take in making an offer;

- (m) drafted and disseminated a Letter of Intent and a Draft Purchase and Sale Agreement;
 - (n) corresponded and met with prospects who expressed interest in MGC Assets;
 - (o) actively supported the management companies hired to support Morningstar operations in their efforts to advertise new golf programs at Morningstar; and
 - (p) negotiated potential sales on three separate occasions;
 - (q) Maintained the listing of MGC's assets on LoopNet and coordinated with Lot G Holdings in listing Lot G to maximize the number of serious enquiries about the MGC Assets;
 - (r) Actively followed up with enquiries from potential purchasers, including those who were initially attracted only to Lot G;
 - (s) Maintained and updated marketing materials for distribution to prospects enquiring about the MGC assets;
 - (t) Maintained contact with potential purchasers that emerged from the earlier marketing programs who continued to show interest in acquiring MGC Assets and in the progress made to improve MGC's operations; and
 - (u) Prepared and provided additional due diligence information to potential purchasers as requested or required.
16. The Receiver's efforts to market the assets of MGC, since October 2019, have resulted in significant online traffic to the LoopNet ad for MGC, on average between 2 and 4 enquiries per month from potential purchasers, and 14 parties that have been granted the ability to access to the data room for due diligence.
 17. The Receiver has received three offers to purchase from third parties since October 2019. Two of these offers were not pursued because the purchase price offer was too low and the pandemic interrupted and stalled negotiations.
 18. The third offer was received in May 2020. The party, or their nominee who submitted the offer (the "**Potential Purchaser**") submitted a letter of intent to purchase the MGC assets for \$2.5 million subject to due diligence, including updated operating results following the shutdown, and budgets for fiscal years 2020 and 2021.
 19. The Potential Purchaser also presented an offer to purchase Lot G to Lot G Holdings in early June. The offer was rejected.
 20. Following extensive negotiations until February 2021, the transaction with the Potential Purchaser did not proceed.
 21. Realcor is the first ranking and overwhelming creditor in these proceedings and expressed an intention to submit a credit bid for the Assets. The Receiver undertook negotiations with Realcor to that end and those negotiations produced the APA that is currently before this Honourable Court for approval.

22. The Receiver has secured a current value appraisal from Colliers International Realty Advisors Inc. and that appraisal, set out at **Appendix "B"** to the Third Report, states that the current market value as at April 28, 2021, is \$2,950,000.
23. The APA has the following material terms:
 - (a) RGI will purchase all of the tangible and intangible assets of MGC on an as-is where-is basis, as set out in the schedules to the APA, required to operate Morningstar as a going concern;
 - (b) the purchase price will be \$4,500,000 (the "**Purchase Price**");
 - (c) the Purchase Price will be satisfied by way of a credit bid and a cash component equal to payables that stand in priority to Realcor's debt (**Appendix "G"** of the Second Report provides a summary of statutory priority claims totaling approximately \$180,000. These claims appear to rank in priority to Realcor's first secured claim), and an amount to be held by the Receiver to satisfy the costs of the receivership proceedings to conclusion and any related taxation of the Receiver's accounts;
 - (d) closing will occur on, or before, June 30, 2021, which may be extended by agreement of the parties;
 - (e) RGI and Lot G Holdings will enter into an Encroachment Removal and Development Cooperation Agreement to address encroachments and implement the land exchange approved by this honourable Court in the April 22 Order; and
24. The Receiver, Realcor, and RGI and their representatives continue to work to satisfy the pre-conditions to closing contemplated by the APA.
25. Subject to the closing of the transactions contemplated by the APA, the Receiver, with the support and consent of Realcor, is seeking the Court's approval to terminate these receivership proceedings.
26. Upon termination, the court granted Receiver's charge will be cancelled, and the Receiver will be discharged.
27. In service of completing these proceedings, the Receiver also seeks to approve the fees of the Receiver and those of the Receiver's counsel in these proceedings.

Fees and Disbursements of the Receiver

28. The Receiver's fees up to March 31, 2021, have already been approved by this Honourable Court.
29. The Receiver's Statements of Fees, Disbursements and Taxes from April 1, 2021 to April 30, 2021, are included in **Appendix "I"** of the Third Report (the "**Receiver's Billings**"). The Receiver's Billings include \$47,204.30 in fees, \$954.03 in disbursements and \$2407.92 for GST for total billings of \$50,646.25. All fees were charged at the Receiver's

standard hourly rates from time to time before the application of a \$4600.00 discount in arriving at the final fees for this billing.

30. **Appendix "J"** is a Summary of the Receiver's Time, totaling 136.29 hours, expended by the Receiver's staff in relation to the matters described in the Receiver's Billings.

Fees and Disbursements of the Receiver's Counsel

31. The fees and disbursements for the Receiver's counsel, DLA Piper, up to February 28, 2021 have already been approved by the Court.
32. The invoices for fees, disbursements and taxes of the Receiver's counsel, DLA Piper, for the period March 1, 2021, to April 30, 2021, are included in **Appendix "K"** ("**DLA Piper's Billings**"). DLA Piper's Billings include \$57,952.50 in fees, \$231.40 in disbursements, \$6,961.89 in taxes, for total billings for DLA Piper of \$65,145.79.
33. The Receiver has reviewed the accounts of DLA Piper rendered in this matter and is satisfied that the work detailed therein was completed by DLA Piper at the request of the Receiver and was necessary. In the Receiver's experience, the fees and rates charged by DLA Piper in its invoices are consistent with those charged by other law firms for work of a similar nature and complexity in British Columbia.
34. The Receiver expects to recover the GST paid for professional fees and disbursements as offset credits against GST collected in MGC's business and in refunds for tax credits.

Part 3: LEGAL BASIS

1. The Receiver relies on the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, particularly Part XI and sections 243, 246, 247, and 249.
2. When determining whether or not to approve a sale of assets in a receivership, there are a number of considerations that should guide a court in its analysis, including:
 - (a) whether the party conducting the sale made sufficient efforts to obtain the best price and did not act improvidently;
 - (b) the interests of all parties;
 - (c) the efficacy and integrity of the process by which offers were obtained; and,
 - (d) whether there has been any unfairness in the sales process.

Royal Bank of Canada v. Soundair Corp. (1991), 4 O.R. (3d) 1 (Ont. C.A.) ("**Soundair**") at para. 6, *Quest University Canada (Re)*, 2020 BCSC 1883 at para. 176.
3. More generally, in analyzing whether a transaction should be approved, a court is to consider the transaction as a whole and decide whether or not the sale is appropriate, fair and reasonable.

Veris Gold Corp. (Re), 2015 BCSC 1204 at para. 23.

4. Given the lengthy marketing period for these assets, the significant restructuring costs that continue to accrue, and in light of the current appraised value, the sale as contemplated in the APA is appropriate, fair and reasonable and represents the best available recovery for creditors in the circumstances.
5. The Receiver has acted with good faith throughout these proceedings and has complied with the statutory requirements of Receivers as set out in the *BIA*, and the orders issued by this Court from time to time.
6. The Receiver's fees as set out in the Third Report are lower due to its low overhead structure and use of experienced industry and insolvency professional on a seamless basis, consistent with fees charged by similar firms in British Columbia that have the capacity and expertise to undertake a file of comparable size and complexity and work undertaken was delegated to the appropriate professionals in the Receiver's organisation based on seniority and hourly rates.
7. The Receiver has reviewed all accounts rendered by the Receiver's Counsel in this period and confirms that all services described in the accounts of the Receiver's Counsel were rendered to the Receiver, and that the Receiver believes that all charges are fair reasonable and consistent with the market for such legal services in British Columbia.
8. The within receivership proceedings commenced on June 1, 2018, and have resulted, *inter alia*, a sale transaction as described above. The restructuring has allowed for the preservation of enterprise value, continued employment in British Columbia and has provided for the best available recovery to stakeholders in the circumstances.
9. The Receiver understands that the parties to the APA will be able to complete the APA without requiring any further relief from this Honourable Court.
10. Accordingly, the Receiver is of the view that, if and when the APA completes, it is appropriate for this Honourable Court to issue an order terminating the receivership proceedings.
11. The Receiver proposes that this Honourable Court grant an order on notice to the Service List, that:
 - (a) approves the sale on the terms set out in the APA;
 - (b) approves the fees and disbursements of the Receiver and the Receiver's counsel;
 - (c) approves the Receiver's activities as set out in the Third Report;
 - (d) discharges the Receiver's Charge;
 - (e) discharges the Receiver; and
 - (f) terminates the within proceedings.

Part 4: MATERIAL TO BE RELIED ON

1. The First Report of the Receiver dated September 24, 2019;

2. The Second Report of the Receiver dated April 14, 2021;
3. The Third Report of the Receiver dated May 19, 2021;
4. Affidavit #3 of Colin Brousson, made on June 21, 2021; and
5. Affidavit #3 of G. Powroznik, made on June 17, 2021.


The applicant estimates that the application will take 30 Minutes.

- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master.

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,

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

June 21, 2021
Dated _____



Signature of lawyer for filing party
DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)
Lawyer for the Receiver

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
- oral 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
- none of the above

Schedule "A" - Draft Order

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE)
) THE HONOURABLE)
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, 2021

ON THE APPLICATION of G. Powroznik Group Inc. of G-Force Group, Court-appointed Receiver of Morningstar Golf Club Ltd. (the "**Receiver**"), coming on for hearing before me this day at 800 Smithe Street, Vancouver, BC; **AND ON HEARING** Jeffrey D. Bradshaw, counsel for the Receiver; and Karen Fellowes, counsel for the Petitioner, Realcor Mortgage Corp. ("**Realcor**"), and no one appearing on behalf of the other parties, although duly served; **AND ON READING** the Receiver's First Report dated September 24, 2019, the Receiver's Second Report dated April 14, 2021, and the Receiver's Third Report dated May 19, 2021 (the "**Third Report**"), and materials filed herein;

THIS COURT ORDERS that:

SERVICE

1. The time for service of the Notice of Application dated June ____, 2021, is, to the extent necessary, hereby abridged and validated such that the Notice of Application is properly returnable today without further service or notice.

SALE APPROVAL AND VESTING

2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated _____, 2021, (the "**Asset Purchase Agreement**") between the Receiver and Realcor Golf Inc. (the "**Purchaser**"), a copy of which is attached hereto as **Schedule "A"** is hereby approved, and the Asset Purchase Agreement is commercially reasonable. The execution of the Asset Purchase Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Asset Purchase Agreement (the "**Purchased Assets**").
3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule "B"** hereto (the "**Receiver's Closing Confirmation Certificate**"), all of Morningstar Golf Club Ltd.'s right, title and interest in and to the Purchased Assets described in the Asset Purchase Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) any Claims, other than those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Permitted Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances, other than the Permitted Encumbrances, affecting or relating to the

Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. The Receiver is authorized and directed to discharge or amend any registrations in the British Columbia Personal Property Registries that specifically relate to the Purchased Assets and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations.
5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Closing Confirmation Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
6. The Receiver is to file with the Court a copy of the Receiver's Closing Confirmation Certificate forthwith after delivery thereof.
7. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Morningstar Golf Club Ltd. Upon closing of the Asset Purchase Agreement, the employees and contractors hired by the Receiver herein shall cease to be employees or contractors of the Receiver and shall become employees or contractors of the Purchaser.
8. Subject to the terms of the Asset Purchase Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Asset Purchase Agreement).

9. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
10. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of Morningstar Golf Club Ltd. now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of Morningstar Golf Club Ltd.,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Morningstar Golf Club Ltd. and shall not be void or voidable by creditors of the Morningstar Golf Club Ltd., nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

FEE APPROVAL

11. The fees and disbursements of the Receiver from April 1, 2021, to April 30, 2021, as set out in the Third Report, are hereby approved.
12. The fees and disbursements of DLA Piper (Canada) LLP ("DLA", in its capacity as counsel to the Receiver), from March 1, 2021, to April 30, 2021, and as set out in the Third Report, are hereby approved.
13. The fees and disbursements of the Receiver and DLA, estimated not to exceed \$260,000 in aggregate, for the completion of remaining activities in connection with these Receivership proceedings, are hereby approved. If the additional fees and disbursements of the Receiver and DLA exceed this amount, the Receiver shall seek

approval of this Court for the amount in excess. For greater certainty, if the additional fees and disbursements incurred by the Receiver and DLA are less than the maximum approved herein, no further action is required by any party to effect the approval of such additional fees and disbursements.

DISCHARGE OF RECEIVER'S CHARGE

14. Upon the service by the Receiver of an executed certificate in substantially the form attached hereto as **Schedule "D"** (the "**Receiver's Termination Certificate**") on the Service List, by email, the Receiver's Charge (as defined in the Receivership Order) shall be and are hereby terminated, released and discharged, and shall be of no further force or effect, without the need for any further act or formality.
15. The Receiver is hereby directed to file a copy of the Receiver's Termination Certificate with the Court as soon as practicable following service thereof on the Service List.
16. The Receiver is hereby directed to post a copy of the filed Receiver's Termination Certificate on the Receiver's website.

TERMINATION OF PROCEEDINGS

17. Upon the service by the Receiver of the Receiver's Termination Certificate on the Service List, by email, certifying that, to the knowledge of the Receiver, all matters to be attended to in these proceedings have been completed, these proceedings shall be terminated without any further act or formality (the "**Termination Time**"), provided that nothing herein impacts the validity of any Orders made in these proceedings or any action or steps taken by any individual, firm, partnership, corporation, governmental body or agency, or any other entity pursuant thereto.
18. The Receiver is hereby directed to file a copy of the Receiver's Termination Certificate with the Court as soon as practicable following service thereof on the Service List.

DISCHARGE OF RECEIVER

19. Effective at the Termination Time, G. Powroznik Group Inc. of G-Force Group, shall be and is hereby discharged from its duties as the Receiver and shall have no further duties, obligations, liabilities, or responsibilities as Receiver from and after the

Termination Time, provided that, notwithstanding its discharge as Receiver, G. Powroznik Group Inc. of G-Force Group shall have the authority to carry out, complete or address any matters in its role as Receiver as are ancillary or incidental to these proceedings following the Termination Time as may be required.

20. Notwithstanding any provision of this Order, the Receiver's discharge or the termination of these proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Receiver shall continue to have the benefit of any of the rights, approvals and protections in favour of the Receiver at law or pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, the Receivership Order, any other Order of this Court in these proceedings or otherwise, all of which are expressly continued and confirmed following the Termination Time, including in connection with any actions taken by the Receiver following the Termination Time with respect to Morningstar Golf Club Ltd. or these proceedings.
21. No action or other proceeding shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver except with prior leave of this Court on not less than fifteen (15) days' prior written notice to the Receiver.

GENERAL

22. Any party affected by this order may apply to the Court as necessary to seek further orders and directions to give effect to this Order.
23. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Petitioner, Purchaser or the Receiver and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner, Purchaser or to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Petitioner, Purchaser, or the Receiver and their respective agents in carrying out the terms of this Order.

24. Endorsement of this Order by counsel appearing on this application other than the counsel for the Receiver and 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:

Signature of lawyer for the Receiver
DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)

Signature of lawyer for the Petitioner
Stikeman Elliot LLP (Karen Fellowes)

BY THE COURT

REGISTRAR

Schedule "A"

Asset Purchase Agreement

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “Agreement” or “APA”) made as of June 18, 2021

BETWEEN:

REALCOR MORTGAGE CORP. or its assignee, with an address at
4333 Ledger Avenue, Burnaby, British Columbia
(the “Buyer”)

AND:

G. POWROZNIK GROUP INC., of G-Force
Group, solely in its capacity as court-appointed
receiver and manager of the assets, undertakings
and properties of **MORNINGSTAR GOLF CLUB
LTD.** and not in its personal capacity, with an
address at Suite 710 – 750 Pender Street West,
Vancouver, British Columbia
(the “Seller”)

WHEREAS:

- A. The Seller was appointed as receiver-manager of all of the assets, undertakings and properties of the Morningstar Golf Club Ltd. (together, “Company”) pursuant to an Order pronounced by the Supreme Court of British Columbia on June 1, 2018 (the “Receivership Order”);
- B. The property, assets and undertaking of the Company includes the Transferred Assets (as defined below);
- C. Under the terms of the Receivership Order, the Seller is authorized to carry out a sales process (the “Sales Process”) to market and sell the Transferred Assets (as defined herein) and to take such steps necessary or incidental to carry out the intended purpose of the Sales Process; and
- D. The Seller desires to sell or otherwise transfer to the Buyer and the Buyer desires to purchase from the Seller the right, title and interest of the Seller in the Transferred Assets.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Certain Defined Terms

As used in this Agreement, the following terms shall have the following meanings and grammatical variations of such terms shall have corresponding meanings:

“Affiliate” means a Person which directly or indirectly controls, is controlled by, or is under common control with, a party to this Agreement. The term “control” as used herein means: (a) with respect to a corporation, the right to exercise, directly or indirectly, more than 50% of the voting rights attributable to the shares of such corporation; and (b) with respect to a partnership, joint venture or other Person, the beneficial ownership of more than 50% of the ownership interest of the partnership, joint venture or other Person.

“Agreement” means this asset purchase agreement including all exhibits and schedules and all amendments or restatements, as permitted.

“Assumed Employees” means collectively, the Assumed Salaried and Hourly Employees and the Unionized Employees.

“Assumed Employee Liabilities” means all wages, statutory deductions, remittances, assessments, bonuses, vacation pay, severance pay, termination pay, amounts paid in lieu of notice, payments under the Collective Agreement for the Unionized Employees and any other remuneration, benefits and deductions for all the Assumed Employees, including Benefit Plan premiums and contributions and any other amounts required to be paid in respect of pension plans in which the Assumed Employees participate.

“Assumed Obligations” means all obligations and liabilities of the Company and the Seller under the Contracts that the Buyer has agreed to assume as of the Closing Date, the Assumed Employee Liabilities and any obligations of the Seller as owner of the Transferred Assets to comply with all applicable Law and governmental regulations and directives pertaining to same.

“Accrued Payroll” means the portion of the payroll which has been earned by the Assumed Employees as at the Closing Date but which has not been paid.

“Assumed Salaried and Hourly Employees” means Salaried and Hourly Employees who accept offers of employment made by the Buyer in accordance with the provisions of Section 2.9 hereof but excluding the Unionized Employees.

“Benefits Plans” means any of the following:

- a) any employee welfare benefit plan, including but not limited to, any medical plan, life insurance plan, short term or long-term disability plan and dental plan; and
- b) any employee pension plan, including, but not limited to any supplemental or excess pension plan, any deferred compensation plan, any registered pension plan or any other arrangement under which employees are provided with retirement income; in each case, provided, sponsored, administered or contributed to by the Company in relation to the Assumed Employees.

“Books and Records” means all supplier, customer and pricing lists and related documentation and records, all manuals relating to the use and operation of the Transferred Assets, provided that

such “Books and Records” shall expressly exclude any of them that are not within the possession or control of the Seller.

“**Buildings and Fixtures**” means all plant, buildings, structures, erections, improvements, appurtenances and fixtures situate on the Owned Real Property on the Closing Date including those listed in SCHEDULE 9.

“**Business**” means the business of the Company carried on at the Owned Real Property on the Closing Date in any way related to the operation of a golf club at that location

“**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia on which Canadian chartered banks are open for commercial banking business during normal banking hours.

“**Business Name**” means “Morningstar Golf Club”.

“**Closing**” means the closing of the transaction contemplated by this Agreement.

“**Closing Date**” has the meaning specified in Section 2.5.

“**Closing Documents**” means the documents referred to in Sections 10.1 and 10.3 hereof.

“**Collective Agreement**” means the collective agreement between the Company and the International Union of Operating Engineers, Local 115.

“**Contracts**” means the Collective Agreement, the Membership Agreements, the Leases, the Licences and Permits, the Encroachment Removal and Development Cooperation Agreement, and the other agreements listed in SCHEDULE 4.

“**Court**” means the Supreme Court of British Columbia, sitting in Vancouver.

“**Credited Amount**” means the full amount of the Receivership Certificates and a portion of the Loans required to satisfy the Purchase Price as specified in Section 2.2.

“**Documents**” shall have the meaning specified in Section 14.4.

“**Employee Liabilities Adjustment**” has the meaning specified in Section 2.4(a).

“**Employee List**” has the meaning specified in Section 2.12.

“**Employees**” means collectively, the Salaried and Hourly Employees and the Unionized Employees.

“**Encroachment Removal and Development Cooperation Agreement**” means the agreement dated June 11, 2021, between the Seller as owner of the Owned Real Property and Lot G Holdings Ltd., the owner of property adjacent thereto, a copy of which agreement is attached as SCHEDULE 8.

“**Environmental Legislation**” means any federal, provincial or other jurisdictional legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Environmental Protection and Enhancement Act* (British Columbia), the *Canadian Environmental Protection Act*, the *Water Act* (British Columbia), the *Climate Change and Emission Management Act* (British Columbia) and the

Dangerous Goods Transportation and Handling Act (British Columbia), or any regulations under such legislation.

“Equipment” means all of the equipment and tools of the Company and/or the Seller located at the Owned Real Property or used in connection with the Business including the equipment and tools described in SCHEDULE 5.

“Excluded Assets” means the following property and assets of the Seller pertaining to the Business and all documents, books, accounts, records and other information relating to that property and those assets:

- a) all cash, bank balances, money in possession of banks and other depositories, term or time deposits and similar cash or cash equivalents of, owned or held by or for the account of the Business; and
- b) all the corporate, financial and other records of the Seller not pertaining to the operation of the Business.

“GAAP” means generally accepted accounting principles recommended, from time to time, in the Handbook of the Chartered Professional Accountants Canada.

“Governmental Authority” means any Canadian federal, provincial, municipal or local or governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body or any other public agency.

“GST/HST/PST” means all Taxes payable under Part IX of the ETA or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA shall refer to any successor provision thereto of like or similar effect.

“Intangibles” means the choses in action and other similar rights or claims directly related to the Business.

“Intellectual Property” means all of the intellectual property owned, licensed or otherwise used by the Company or the Seller in connection with the Business, and all ancillary property, including the intellectual property and ancillary property described in SCHEDULE 6.

“Inventory” means the inventory of the Company and Seller located at the Owned Real Property or used in the Business.

“Law” means any Canadian federal, provincial, municipal or local, act, law, ordinance, regulation, rule, code, order, decree, judgment, policy, other requirement or rule of law, including the common law and its principles.

“Leases” means all of the leases relating to the Business and described in SCHEDULE 4.

“Licences and Permits” means all authorizations, registrations, permits, certificates of approval, approvals, grants, licences, quotas, consents, commitments, rights or privileges issued or granted by any governmental authority to the Company and/or Seller in connection with the Business including those described in SCHEDULE 4.

“Loans” means the loans made by Realcor Mortgage Corp. to the Company as detailed in SCHEDULE 1.

“Losses”, in respect of any matter, means all losses, claims, demands, proceedings, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal fees calculated as between a solicitor and his own client with a right to full indemnity, and other professional

fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter.

“Membership Agreements” means all agreements and contracts in force as at the Closing Date, between the Seller or the Company and each person who is a member of the golf club that forms part of the Business.

“Membership Fees” means all of the revenue collected and held by the Seller in connection with the renewal of existing Membership Agreements and the sale of new Membership Agreements to existing, returning and new members of the Business to the extent the same have not been used for payment of operating or capital expenses related to the Business.

“Owned Real Property” means the lands and premises more particularly described in SCHEDULE 3.

“Person” means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity.

“Permitted Encumbrances” means those instruments registered on title to the Owned Real Property as described in SCHEDULE 3, which shall be accepted and/or assumed on Closing by the Buyer.

“Purchase Price” has the meaning specified in Section 2.2.

“Receivables” means all accounts receivable, bills receivable, trade accounts, book debts and insurance claims directly or indirectly used in, arising from, or relating in any manner to the Business together with any unpaid interest accrued on such items.

“Receiver Certificates” means the receiver certificates issued to the Buyer by the Seller pursuant to the Receivership Order, as attached as SCHEDULE 2.

“Salaried and Hourly Employees” means all Persons who are employed in the Business, as at the Closing Date, including those on short term disability.

“Statutory Priority Claims” means the amounts as set out in SCHEDULE 7, including the real property Taxes owing for tax years 2017, 2018, 2019 and 2020.

“Tax” means any and all transfer taxes, goods and services taxes, harmonized sales taxes, value added taxes or license, registration and documentation fees and similar charges, but does not include income or disposition tax levied on the Seller arising by reason of the sale of the Transferred Assets.

“Transferred Assets” means all of the rights, assets, privileges, benefits and property of whatever nature or kind and wherever situated, owned or used by the Company or held by it for use primarily in, or primarily with respect to the operation of, the Business including the following properties, assets and rights: the Owned Real Property; Buildings and Fixtures; Equipment; Intellectual Property; Inventory; Business Name; Intangibles; Contracts; Receivables; and Books and Records, but excluding the Excluded Assets.

“Vesting Order” means a vesting order substantially in the form of the draft order attached hereto as Exhibit “A”, or as otherwise acceptable to the Buyer and the Seller.

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Consent:** Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) **Currency:** Unless otherwise specified all references to money amounts are to lawful currency of Canada.
- (c) **Number and Gender:** Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (d) **Statutory References:** A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.
- (e) **Time:** Time is of the essence in the performance of the parties' respective obligations.
- (f) **Time Periods:** Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.
- (g) **GAAP:** all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with GAAP.

1.3 List of Schedules

The following Schedules are incorporated in and form an integral part of this Agreement:

SCHEDULE 1	-	Loans
SCHEDULE 2	-	Receiver Certificates
SCHEDULE 3	-	Owned Real Property
SCHEDULE 4	-	Contracts
SCHEDULE 5	-	Equipment
SCHEDULE 6	-	Intellectual Property
SCHEDULE 7	-	Statutory Priority Claims
SCHEDULE 8	-	Encroachment Removal and Development Cooperation Agreement
SCHEDULE 9	-	Buildings and Fixtures
SCHEDULE 10	-	Purchase Price Allocation

ARTICLE 2
PURCHASE AND SALE OF ASSETS AND ASSIGNMENT

2.1 The Transferred Assets

Subject to the terms and conditions of this Agreement, on the Closing Date the Seller shall sell, transfer, assign and convey to the Buyer all of the right, title and interest of the Seller, if any, in and to the Transferred Assets free and clear of all encumbrances except for the Permitted Encumbrances and the Buyer shall assume all of the Assumed Obligations. The parties acknowledge and agree that the Seller shall deliver the Transferred Assets to the Buyer effective on the Closing Date executing appropriate documents of transfer and permitting the Buyer to take possession of the Transferred Assets.

2.2 Purchase Price

The aggregate purchase price (the “**Purchase Price**”) payable by the Buyer to the Seller, in trust, in consideration of the transfer of the Transferred Assets shall be \$4,500,000, subject to adjustments pursuant to Section 2.4 hereof.

The Purchase Price will be satisfied by the Buyer by way of:

- (a) cash payment equal to the total of the following amounts:
 - (i) \$181,804.32 for Statutory Priority Claims; and
 - (ii) an amount equal to the Seller’s professional fees and disbursements to the termination of the receivership proceedings, which amount will be determined by the Seller on notice to the Buyer at least five (5) Business Days prior to the Closing Date; and
- (b) the balance of the Purchase Price will be satisfied by set-off of the Credited Amount against the Purchase Price.

All Taxes payable in connection with the purchase and sale of the Transferred Assets shall be the responsibility of the Buyer and shall be paid as and when required by law in order to permit the consummation of the purchase and sale of the Transferred Assets as contemplated herein.

2.3 Allocation of Purchase Price

The allocation of the Purchase Price as to each of the Transferred Assets shall be as set out in SCHEDULE 10.

2.4 Adjustments to Purchase Price

The Purchase Price shall be subject to the adjustments set out below:

- (a) Employee Liabilities Adjustment:

- (i) All unpaid amounts accrued or owing as at Closing for the Assumed Employee Liabilities to the Assumed Employees and for which the Buyer becomes liable at or after Closing shall be credited against the Purchase Price unless such amounts have been paid by the Seller (the “**Employee Liabilities Adjustment**”).
 - (ii) The Seller shall prepare and provide to the Buyer at least four (4) Business Days before the Closing Date, a statement of the calculation of the Employee Liabilities Adjustment as of the Closing Date, together with relevant supporting documentation.
- (b) Owned Real Property Adjustments:
- (i) Real property Taxes (other than those amounts included in the Statutory Priority Claims) and any local improvement rates, water/garbage rates, utilities/fuel costs, for the month in which the Closing occurs, and amounts payable in respect of any Contract and other usual and customary items which are the subject of commercial real property transaction adjustments (and expressly excluding Receivables and Membership Fees and matters provided for in the Employee Liabilities Adjustment) shall be adjusted as of the Closing Date.
 - (ii) The Seller shall deliver a statement of adjustments for the items set out in Section 2.4(b)(i) above to the Buyer at least three (3) Business Days before Closing together with such other background information as may be reasonably required to complete and verify the items on the statement of adjustments.
- (c) No Adjustment for Inventory or Receivable

There shall be no adjustment to the Purchase Price in favour of the Seller on account of Inventory or Receivables.

2.5 Closing Date

Upon the terms and subject to the conditions of this Agreement, the sale, transfer, conveyance and assignment of the Transferred Assets as contemplated by this Agreement shall take place on or before the later of 10 days following the issuance of the Vesting Order or June 30, 2021, at the offices of the Seller’s solicitors at 10:00 a.m. Vancouver time or at such other place or at such other time or on such other date as the Seller and the Buyer may mutually agree upon in writing (the “**Closing Date**”).

2.6 GST/HST/PST Elections

The Purchase Price does not include GST/HST/PST. The Buyer and the Seller shall make such elections (if available as determined by the Seller and the Buyer each acting reasonably) in prescribed form containing prescribed information and the Buyer shall file such elections in compliance with the requirements of the applicable legislation (the

“GST/HST/PST Election Form”). The Buyer and the Seller agree that (a) they will claim the benefit of any provision of applicable Laws which allows all or any part of the Transferred Assets to be transferred by the Seller to the Buyer without payment of any GST/HST/PST or other applicable Tax; and (b) they will, upon reasonable request from the other, cooperate fully in connection with the preparation and filing of any documents or tax returns with any governmental authority, and to use their commercially reasonable efforts to obtain any certificate or other document from any governmental authority, or any other person, as may be necessary or commercially advisable to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, Tax with respect to the purchase of the Transferred Assets by the Buyer). The Buyer agrees to indemnify and save the Seller harmless from and against all claims and demands for payment of all GST/HST/PST including penalties and interest and any liability or costs incurred as a result of any failure to pay such GST/HST/PST when due.

2.7 Assumed Obligations

In connection with its acquisition of the Transferred Assets, the Buyer will assume the Assumed Obligations on Closing. On Closing, to the extent necessary, the Buyer will enter into an assumption agreement in form and substance satisfactory to each of the Buyer and the Seller, acting reasonably. The Buyer acknowledges that the Seller will have no responsibility whatsoever for curing any defaults, paying any arrears, or performing any obligations under or with respect to the Contracts, save and except as otherwise specified herein. For greater certainty, the parties agree that the Buyer shall have no obligation to assume any obligations of the Seller in respect to any purchase or lease of any new or used golf cars or of any contracts entered into by the Seller with any third parties that are not listed hereunder as Contracts to be assumed by the Buyer.

2.8 Excluded Obligations

Other than the Assumed Obligations, the Buyer will not assume and will not be liable for any other liabilities or obligations of the Company.

2.9 Assumed Salaried and Hourly Employees

- (a) On or before the Closing Date and subject to Closing, the Buyer will offer employment to all the Salaried and Hourly Employees at the same rate of wages and benefits then in effect, and upon other terms and conditions that are the same as those of his or her current employment, which employment will commence from the Closing Date. The Buyer in making the offer of employment will recognize the seniority and years of service of such Assumed Salaried and Hourly Employees, and for clarity, will treat the period of employment of such Assumed Salaried and Hourly Employees with the Company and/or the Seller as employment or engagement with the Buyer for all purposes.
- (b) At least 5 Business Days before the Closing Date the Seller shall terminate the Salaried and Hourly Employees conditional upon and as of the Closing. The Seller and Buyer agree to cooperate in the delivery of notices to the Salaried and Hourly Employees so as to minimize the disruption of the morale of the Salaried and Hourly Employees.

- (c) The Buyer acknowledges and agrees that:
 - (i) the Seller makes no representation or warranty that any Salaried and Hourly Employee will accept employment with the Buyer, and
 - (ii) the acceptance by Assumed Salaried and Hourly Employees of offers of employment with the Buyer will not constitute a condition to the Buyer's obligation to complete the Transaction.

2.10 Unionized Employees

- (a) In accordance with the laws of British Columbia and the federal laws of Canada applicable therein, the Buyer shall become the successor employer under the Collective Agreement with respect to the Unionized Employees whose employment is governed by the Collective Agreement and shall be bound by and comply with the terms of the Collective Agreement.
- (b) Effective as of the Closing Date, the Buyer shall assume all of the Company's liabilities and obligations (and the liabilities and obligations of the Seller, if any) under the Collective Agreement, including all of the Company's liabilities and obligations (and the liabilities and obligations of the Seller, if any) under the Benefit Plans.

2.11 Notice of Change of Employment

The Buyer may give such notice to the Assumed Employees concerning the change of their employer with respect to the Business as the Buyer, in light of applicable Law, considers reasonable.

2.12 Employee List

Within seven (7) Business Days of the execution and delivery of this Agreement, the Seller shall provide the Buyer with a current list of the Employees (the "**Employee List**"), in a format to be agreed upon by both of the Parties hereto, each acting reasonably. The Employee List shall include for each Assumed Employee their name, job title, hire date, wage or salary rate, amount of accrued vacation pay and rate that vacation pay accumulates, amount of accrued sick leave credits, and a job duty outline, and for hourly employees, the number of hours generally worked per week.

2.13 Assumed Employees - General

- (a) Until the Closing Date, subject to the Employee Liabilities Adjustment, the Seller will be responsible for payment of Assumed Employee Liabilities that become due and payable prior to the Closing Date other than any termination or severance entitlement owing to the Assumed Employees as a result of the termination of any of the Assumed Employees pursuant to Section 2.9(b). On the Closing Date, the Buyer will assume the Accrued Payroll and any unpaid Assumed Employee Liabilities for the Assumed Employees.

- (b) Effective as of the Closing Date, the Buyer will assume the obligations of the Company and the Seller, if any, with respect to the Assumed Employee Liabilities and of the Company and the Seller as sponsor under the Benefit Plans.
- (c) Except to the extent otherwise imposed by the laws of British Columbia and the federal laws of Canada applicable therein, the Seller will be responsible for all unpaid workers' compensation amounts, including payroll premiums, non-compliance charges, experience rating surcharges, work week surcharges, levies and penalties relating to the Assumed Employees arising out of events occurring prior to the Closing Date, and the Buyer will be responsible for all such amounts arising out of events occurring on or after the Closing Date and relating to the Assumed Employees.
- (d) The Buyer agrees to indemnify and save the Seller harmless from and against all claims and demands for payment in connection with the Assumed Employee Liabilities attributable to the period following Closing including the Employee Liabilities Adjustment as provided in Section 2.4(a), and its responsibilities as provided in Section 2.10, and any and all liability arising from the termination of the Salaried and Hourly Employees.

2.14 Encroachment Removal and Development Cooperation Agreement

- (a) The Buyer acknowledges that the Encroachment Removal and Development Cooperation Agreement will be of mutual benefit to the Seller and to Lot G Holdings Ltd., as the owner of the adjacent property referred to as Lot G, which is legally described in the Encroachment Removal and Development Cooperation Agreement. In particular, the Encroachment Removal and Development Cooperation Agreement and the land exchanges and easements to be granted thereunder will facilitate the removal of certain encroachments of the Owned Real Property comprising the Morningstar Golf Course over the adjacent Lot G which constitute trespasses, and the Morningstar Golf Course will receive the major portion of the land to be exchanged and the benefit thereof. The Buyer agrees to assume and perform all of the obligations of the Seller under the Encroachment Agreement and Development Cooperation Agreement in accordance with its terms.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Buyer as follows:

3.1 Authorization

The Seller has the right to enter into this Agreement and, after obtaining the Vesting Order, all necessary authority to execute and deliver this Agreement and all other documents and instruments contemplated herein or therein to which it is or will be party and to perform its obligations hereunder and thereunder.

3.2 Seller Resident of Canada

The Seller is not a non-resident of Canada under the *Income Tax Act* (Canada).

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER**

The Buyer represents and warrants to the Seller as follows:

4.1 Organization

The Buyer is duly incorporated, validly existing company and in good standing under the Laws of British Columbia.

4.2 Authorization

The Buyer has the corporate power and authority to execute and deliver this Agreement and the other documents and instruments contemplated herein or therein to which it is or will be a party and to perform its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and the documents contemplated hereby and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by the Buyer.

4.3 Execution and Delivery

This Agreement, and each of the other agreements, documents and instruments to be executed and delivered by the Buyer on or before the Closing, have been or will be duly executed and delivered by, and constitute the valid and binding obligations of the Buyer.

4.4 Validity, Etc.

Neither the execution and delivery of this Agreement by the Buyer and the other documents and instruments contemplated hereby, the consummation of the transaction contemplated hereby or thereby, nor the performance of this Agreement and such other agreements in compliance with the terms and conditions hereof and thereof will (i) conflict with or result in any breach of the articles or by-laws of the Buyer or shareholders agreement or resolution of shareholders or directors or any Law applicable to the Buyer, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, (iii) result in a breach of or default (or give rise to any right of termination, cancellation or acceleration) under any Law, governmental permit, license or order or any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument to which the Buyer is a party, or (iv) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Buyer.

4.5 Resident

As at the Closing Date, the Buyer is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

ARTICLE 5
ACKNOWLEDGEMENTS BY BUYER

5.1 “As Is, Where Is”

Except as expressly provided herein, the Buyer acknowledges that the Transferred Assets are purchased on an “as is, where is” basis and without any representation or warranty by the Seller or its directors, officers, employees, solicitors or agents of any kind and that the Buyer has inspected the Transferred Assets and will accept the same on the Closing Date in their state, condition and location existing as of the date of this Agreement, reasonable wear and tear excepted. For greater certainty, the Buyer acknowledges that the Seller makes no representation, warranty or condition, whether statutory (including under the *Sale of Goods Act* (British Columbia), express or implied, oral or written, legal, equitable, conventional, collateral or otherwise in this Agreement or in any instrument furnished in connection with this Agreement with respect to any matter relating to the Transferred Assets, including but not limited to, the ownership and operation thereof, or otherwise.

The Buyer acknowledges that it has had opportunity to conduct any and all due diligence regarding the Transferred Assets and shall be deemed to have relied entirely on its own inspection and investigation in proceeding with the transaction contemplated hereunder. The Buyer expressly disclaims reliance upon any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Transferred Assets, or the accuracy, relevance or completeness of any information provided in connection therewith, and the Seller nor its directors, officers, employees or agents will have any liability to the Buyer in respect of the foregoing.

5.2 Environmental Condition

Without limiting the generality of Section 5.1, the Buyer:

- (a) agrees to indemnify the Seller and hold the Seller harmless from and against all Losses which the Seller may sustain, incur be or become liable for by reason of or arising from anything done by the Buyer in relation to the Transferred Assets in contravention of any Law;
- (b) hereby remises, releases and forever discharges the Seller and each of its affiliates, directors, officers, agents, employees and shareholders (in this Section collectively called the “**Releasees**”) of and from any and all liability, claim, demand, obligation, cause of action, remediation, cost recovery action, investigation, proceeding, order, violation, damage, loss, cost, expense, judgment, penalty, or fine asserted by any party (including, without limitation, any private party or Governmental Authority) arising out of or relating to Environmental Laws or environmental liabilities, including without limitation, any cost of managing, removing, remediating or disposing of any contaminants, as well as any liability, cost or expense whatsoever relating to any enforcement actions, orders, cost recovery actions or remedial actions related to any environmental liabilities or contaminants, except to the extent arising out of intentional misconduct of any of the Releasees and in such case only with respect to the

Releasee in question, and the Buyer hereby waives any and all such rights that the Buyer now has or will have as against the Releasees or any of them, except to the extent arising out of intentional misconduct of any of the Releasees and in such case only with respect to the Releasee in question.

Without limitation to any other provision of this Agreement, the provision of this Section 5.2 shall survive the Closing.

ARTICLE 6 COVENANTS OR APPROVALS

The Buyer shall take, or cause to be taken, and the Seller shall, upon the reasonable request of the Buyer, take or cause to be taken, all commercially reasonable actions and do, or cause to be done, all commercially reasonable things and promptly execute and file, or join in the execution and filing of, any application or other document as the Buyer may reasonably request and as may be necessary, proper or advisable to permit and diligently pursue completion of the transaction contemplated by this Agreement in accordance with the terms hereof, including obtaining the authorization, approval or consent of any Governmental Authority and shall co-operate with each other in connection therewith, including using all commercially reasonable efforts to obtain as soon as reasonably possible following the Closing Date:

- (a) any consents which may be required from third parties to permit the assignment to the Buyer of the Seller's rights and benefits under any intellectual property; and
- (b) any consents required from any Governmental Authority having jurisdiction over the Transferred Assets,

provided that the Buyer will indemnify the Seller against its reasonable costs and expenses incurred by the Seller arising out of the Seller's performance of such obligation as set forth in this Section.

The Buyer acknowledges that as between the Buyer and the Seller, it is the Buyer's responsibility to obtain the necessary consents, and that the Seller will not be, unless the Seller otherwise agrees, required to pay, discharge or assume any obligations as a condition of obtaining any consents or as a condition of the transfer or assignment of any of the Transferred Assets being effective or as a condition of the Buyer not being liable to any Person after the assignment or transfer of any of the Transferred Assets to discharge or assume any obligation related to the Transferred Assets or any of them.

ARTICLE 7 CONDITIONS TO THE OBLIGATIONS OF BOTH PARTIES

The obligations of both the Seller and the Buyer to complete the transaction contemplated herein is conditional upon the Seller obtaining the Vesting Order, and the Vesting Order not having been stayed, reversed, or dismissed as at the Closing Date.

The Buyer acknowledges and agrees that the Seller's obligations in connection with this Agreement, until it is approved by the Court, are limited to putting this Agreement before the Court. Thereafter, the Seller is subject to the jurisdiction and discretion of the Court

to entertain other offers to purchase the Transferred Assets and to any further Orders the Court may make regarding the Transferred Assets. The Buyer acknowledges and agrees that the Seller will not breach a duty of good faith, should the Court direct the acceptance of another offer or if the Seller should advocate for a materially higher offer for the Transferred Assets in compliance with its duties arising from statute, common law, or the Receivership Order. The Buyer further acknowledges that the Buyer must make it's own arrangements to support this Agreement in Court.

If the Court vacates, sets aside or varies an Order approving this Agreement for any reason whatsoever (except any willful misconduct of the Seller), then the Seller will not be liable to the Buyer or any other person in any way whatsoever, in connection therewith.

ARTICLE 8 CONDITIONS TO THE BUYER'S OBLIGATIONS

The obligation of the Buyer to pay the Purchase Price on the Closing Date, to perform its obligations under this Agreement and to consummate the transaction contemplated hereby are subject to the satisfaction, on or before the Closing Date, of the following conditions each of which may be waived by the Buyer in its sole discretion:

8.1 Representations and Warranties

The representations and warranties of the Seller contained in ARTICLE 3 shall be true, correct and complete in all material respects at the time of the Closing Date with the same force and effect as if such representations and warranties were made at and as of such time.

8.2 Performance

The Seller shall have performed its obligations under this Agreement in all material respects.

8.3 New Liens

If by the Closing Date the Buyer has identified to the Seller specific financial claims against the Seller (claims for payment of money) which if unpaid would form a lien against the Transferred Assets and would not be discharged by the registration of the Vesting Order, the Seller will, within a reasonable time after the Closing Date:

- (a) pay such claims from the proceeds of the sale of the Transferred Assets; or
- (b) obtain discharges of such claims in so far as those claims affect the Transferred Assets; or
- (c) obtain an order of a court of competent jurisdiction confirming that such claims if unpaid do not form a lien against the Transferred Assets after the acquisition of them by the Buyer.

The foregoing conditions are for the exclusive benefit of the Buyer and may be waived, in writing, by the Buyer in whole or in part, at or prior to the respective time for fulfilment of such conditions and if a condition is not fulfilled or performed or waived in writing at or prior to such time, then this Agreement shall at such time cease to be of any force or effect.

ARTICLE 9 CONDITIONS TO THE SELLER'S OBLIGATIONS

The obligation of the Seller to perform its obligations under this Agreement and to consummate the transaction contemplated hereby is subject to the satisfaction, on or before the Closing Date, of the following conditions, each of which may be waived by the Seller in its sole discretion:

9.1 Representations and Warranties

The representations and warranties of the Buyer contained in ARTICLE 4 shall be true, correct and complete in all material respects at the time of the Closing with the same force and effect as if such representations and warranties were made at and as of such time.

9.2 Performance

The Buyer shall have performed its obligations under this Agreement in all material respects.

ARTICLE 10 CLOSING MATTERS

10.1 Closing

The completion of the Transaction will take place at the offices of the Seller's solicitors on the Closing Date or as otherwise determined by mutual agreement of the parties in writing.

10.2 Seller's Closing Documents

On the Closing Date, the Seller will deliver the following to the Buyer's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 10.4:

- (a) a certified copy of the Vesting Order;
- (b) a statement of adjustments contemplated in Section 2.4(b)(ii);
- (c) an undertaking to readjust any item on or omitted from the statement of adjustments as provided in Section 2.4(b)(ii);
- (d) an assumption agreement as contemplated by Section 2.7;

- (e) the GST/HST Election Form, countersigned by the Seller; and
- (f) such documents necessary or desirable in the Buyer's opinion, acting reasonably, to effect the assignment, transfer and sale of the Transferred Assets as contemplated by this Agreement, to the extent not effected by the Vesting Order, in form and substance satisfactory to the Buyer, acting reasonably.

10.3 The Buyer's Closing Documents

On the Closing Date, the Buyer will deliver the following to the Seller's solicitors, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 10.4:

- (a) Evidence of satisfaction of the Purchase Price pursuant to Section 2.2;
- (b) a certificate of an officer of the Buyer dated the Closing Date certifying that the Buyer's representations and warranties in this Agreement are true and correct in all material respects as of the Closing (unless such representation and warranty is already subject to a materiality qualification, in which case certifying that it is true and correct in all respects) and the covenants of the Buyer to be performed by the Closing have been performed in all material respects;
- (c) the GST/HST Election Form, countersigned by the Buyer;
- (d) an undertaking to readjust any item on or omitted from the statement of adjustments as provided in Section 2.4(b)(ii);
- (e) evidence of the receipt of those consents obtained by the Buyer prior to the Closing, together with any other consents, approvals and authorizations contemplated by ARTICLE 6 obtained by the Buyer, if any;
- (f) bank draft or wire transfer in the amount of the cash component of the Purchase Price as set out in Section 2.2(a); and
- (g) such other documents as may be requested by the Seller, acting reasonably.

10.4 Terms of Closing

None of the Closing Documents and monies will be dealt with before Closing until the deliveries contemplated by this ARTICLE 10 have been made and the conditions set out in ARTICLE 8 and ARTICLE 9 have been fulfilled or waived.

10.5 Possession of Assets

The Seller will remain in possession of the Transferred Assets until the Closing Date. On Closing, the Buyer will take possession of the Transferred Assets wherever situate as at the Closing Date. The Buyer acknowledges that the Seller has no obligation to deliver physical possession of the Transferred Assets to the Buyer.

ARTICLE 11
ADDITIONAL AGREEMENTS

11.1 Confidentiality - Buyer

If the Closing fails to occur for whatever reason, the Buyer agrees thereafter not to divulge, communicate or disclose, except as may be required by Law or for the performance of this Agreement, or use to the detriment of the Seller or for the benefit of any other Person or Persons, or misuse in any way, any confidential information of the Seller related to the Transferred Assets. In the event that the Buyer is required to divulge, communicate or disclose any such confidential information pursuant to any Law, the Buyer shall promptly provide written notice to the Seller of such requirement so that the Seller may seek a protective order or other appropriate remedy (in which case the Buyer will cooperate fully). If no such protective order or other remedy is obtained, the Buyer will disclose only that portion of such confidential information which it is advised by counsel it is legally required to disclose.

11.2 Access to Books and Records

On the Closing Date, the Seller will cause to be delivered to the Buyer the Books and Records.

The Seller, any trustee, trustee in bankruptcy or similar official appointed with respect to Morningstar Golf Club Ltd., and each of their representatives shall, for a period of seven (7) years from the Closing Date, have access to, and the right to copy, at their expense to the extent necessary or useful in connection with their administration and discharge of their duties and obligations, including the filing of any tax return or the defence or settlement of any litigation or to comply with any applicable law and during usual business hours, upon reasonable prior notice to the Buyer, all Books and Records which are to be transferred and conveyed to the Buyer pursuant to this Agreement.

The Buyer shall use commercially reasonable efforts to retain and preserve all such Books and Records for such seven (7) year period. The Buyer shall not be responsible or liable to the Seller or any other Person for or as a result of any unintentional loss or destruction of or damage to any of the Books and Records.

The Buyer covenants and warrants that it will comply with the requirements of the *Canada Personal Information Protection and Electronic Documents Act* and the *Personal Information Protection Act* of British Columbia and shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Morningstar Golf Club Ltd.

All representations and warranties made by the Seller and the Buyer relating to the Books and Records shall continue for a period of seven (7) years after the Closing Date and after such period neither party shall have any further liability hereunder.

11.3 Disclosure of Information

Without limiting the generality of Section 11.1, the Buyer acknowledges and agrees that in the course of the Buyer's due diligence in respect of the Transferred Assets, the Buyer may request and the Seller may disclose certain personnel records and other information related to Transferred Assets and/or the business of the Seller that may include "personal information" (the "**Personal Information**") as defined in and subject to the *British Columbia Personal Information Protection Act* ("**PIPA**"). For the purposes of Section 20 of PIPA:

- (a) the Buyer hereby confirms to the Seller that the Personal Information that the Buyer may hereafter request in the course of its due diligence is necessary in order for the Buyer to determine whether to proceed with the proposed purchase of the Transferred Assets; and
- (b) the Buyer hereby covenants and agrees that:
 - (i) prior to Closing, any Personal Information that the Seller discloses to the Buyer shall be used by the Buyer solely for purposes related to its due diligence and its proposed purchase of the Transferred Assets, and the

Buyer shall not disclose or otherwise make available any of the Personal Information to any Person except employees, directors, officers and professional advisors of the Buyer with a need to know for the purposes of such due diligence and proposed purchase;

- (ii) if the proposed purchase of the Transferred Assets does not proceed or is not completed, the Buyer will destroy or return to the Seller all of the Personal Information disclosed to the Buyer by the Seller in accordance with the Seller's instructions and/or pursuant to the Non-Disclosure Agreement; and
- (iii) if the proposed purchase of the Transferred Assets is completed: (i) the Buyer shall only use or disclose the Personal Information for the same purposes for which it was collected, used or disclosed by the Seller, or as otherwise permitted by and in accordance with PIPA; and (ii) the Buyer shall notify the individuals who are the subject of the Personal Information that the purchase of the Transferred Assets has taken place and that their Personal Information was disclosed to the Buyer.

ARTICLE 12 INDEMNIFICATION

12.1 Survival of Representations and Warranties

All representations and warranties in ARTICLE 3 and ARTICLE 4, as given at the date hereof and restated at the Closing as provided for in Section 8.1 or Section 9.1, or in any instrument or document furnished in connection with this Agreement or the transaction contemplated hereby, shall survive the closing of the transaction contemplated herein and, notwithstanding any investigation at any time made by or on behalf of any party continue in full force and effect for a period of 6 months from the Closing, provided that a claim for any breach of the representations and warranties contained in this Agreement, or in any instrument or document furnished in connection with this Agreement or the transaction contemplated hereby, that involves fraud or fraudulent misrepresentation may be made at any time following the Closing, subject only to applicable limitation periods imposed by Law. All covenants and agreements contained herein shall survive until fully performed in accordance with their terms.

12.2 Buyer's Indemnification of the Seller

In addition to the indemnity contained in Section 5.2(a), the Buyer shall indemnify, defend and hold harmless the Seller and its respective officers, directors, employees, agents and shareholders, and its respective successors and assigns from and against all Taxes payable in connection with the purchase and sale of the Transferred Assets.

**ARTICLE 13
TERMINATION**

13.1 Termination

This Agreement may be terminated and the transaction contemplated hereby may be abandoned at any time prior to the Closing Date, as the case may be:

- (a) by mutual written consent of the Buyer and the Seller;
- (b) by the Buyer or the Seller if any court of competent jurisdiction or other Governmental Authority shall have issued an order, decree or ruling, or taken any other action specifically restraining, enjoining or otherwise prohibiting the transaction contemplated hereby, which order, decree, ruling or other action is not stayed or dismissed prior to the Closing Date;
- (c) by the Buyer or the Seller if, on or before the Closing Date, a material part of the Transferred Assets has been removed from the control of the Seller by any means or process, or the Transferred Assets, or any part thereof, are redeemed;
- (d) Subject to Section 2.5, by the Buyer or the Seller if the Closing does not occur by the Closing Date; or
- (e) by the Buyer or the Seller if the conditions contained in ARTICLE 8 and ARTICLE 9, respectively, are not satisfied or waived prior to the applicable date for satisfaction of such conditions.

13.2 Effect of Termination

Notwithstanding the termination and abandonment of this Agreement pursuant to Section 13.1, the provisions of ARTICLE 11 of this Agreement shall survive. Nothing in this ARTICLE 13 shall relieve any party to this Agreement of liability for breach of this Agreement.

**ARTICLE 14
MISCELLANEOUS**

14.1 Risk of Loss

Up to the time of the Closing, the Transferred Assets shall be and remain at the risk of the Seller. If, prior to the time of the Closing, all or any material part of the Transferred Assets are destroyed or damaged by fire or any other casualty or shall be expropriated, the Seller shall have the first option to elect to terminate this agreement exercisable within 20 Business Days from the date of such destruction, damage, casualty or expropriation by providing written notice (the “**Destruction Notice**”) thereof to the Buyer and, upon such notice being given, this Agreement shall terminate and be of no further force or effect (save and except the provisions of ARTICLE 11). Thereafter, the

Buyer shall have the option, exercisable by notice in writing given within 5 Business Days of the later of the Buyer receiving notice in writing from the Seller of such destruction, damage, casualty, or expropriation of the Destruction Notice:

- (a) to complete the purchase without reduction of the Purchase Price in accordance with ARTICLE 10, and all proceeds of insurance or compensation for expropriation shall be payable to the Buyer and all right and claim of the Seller to any such amounts not paid by the time of the Closing shall be assigned by the Seller to the Buyer; or
- (b) of terminating this Agreement and not completing the purchase, in which case all obligations of the Buyer and the Seller hereunder, other than those pursuant to ARTICLE 11, shall terminate.

14.2 Notices

All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as such party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) by email, or (iii) sent by recognized overnight courier.

If to the Buyer:

4333 Ledger Avenue,
Burnaby, British Columbia V5G 3T3

Attention: Lee Riggs
E-mail: lriggs@iuoe115.ca

With a copy to:

Stikeman Elliott LLP
4300 Bankers Hall West
888 - 3rd Street S. W.
Calgary, Alberta T2P 5C5
Canada

Attention: Karen Fellowes
E-mail: kfellowes@stikeman.com

If to the Seller:

Suite 710 – 750 Pender Street West
Vancouver, British Columbia V6C 2T7

Attention: Gary Powroznik
Email: gpowroznik@g-forcegroup.ca

- with copy to -

DLA Piper (Canada) LLP
2800-666 Burrard Street
Vancouver, BC
V6C 2Z7

Attention: Colin Brousson
E-mail: colin.brousson@dlapiper.com

All notices, requests, consents and other communications hereunder shall be deemed to have been given (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party in accordance with this Section 14.2, (ii) if made by e-mail, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, or (iii) if sent by overnight courier with guaranteed next day delivery, on the next Business Day following the day such notice is delivered to the courier service.

14.3 Further Assurances

At any time and from time to time after the date hereof each of the parties hereto, at the reasonable request and expense of the other party hereto, will execute and deliver such other instruments of sale, transfer, conveyance, assignment, confirmation and other instruments as may be reasonably requested in order to more effectively transfer, convey and assign to the Buyer and to confirm the Buyer's title to the Transferred Assets and to effectuate the transaction contemplated herein.

14.4 Entire Agreement

This Agreement together with the Exhibits and Schedules hereto and the other documents executed in connection herewith or referred to herein (together, the "**Documents**") embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in the Documents shall affect, or be used to interpret, change or restrict, the express terms and provisions of the Documents.

14.5 Modifications and Amendments

The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all parties hereto and, where same may be required, by order of the Court.

14.6 Waivers and Consents

No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

14.7 Assignment

Subject to the following sentence, no party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party. The Buyer may assign its rights under this Agreement to: (i) any Affiliate(s) of the Buyer; or (ii) any company controlled by the board of directors of the Buyer, prior to the application for the Vesting Order, provided that no assignment will release the Buyer from its obligations under this Agreement.

14.8 Parties in Interest

This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

14.9 Governing Law

This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of British Columbia and the federal laws of Canada applicable therein.

14.10 Jurisdiction and Service of Process

Any legal action or proceeding with respect to this Agreement may only be brought in the Court. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the Court. Nothing in this Section shall affect the rights of the parties to commence any such action in any other forum or to serve process in any such action in any other manner permitted by Law.

14.11 Interpretation

The parties hereto acknowledge and agree that: (i) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (ii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favour of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

14.12 Headings and Captions

The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

14.13 Enforcement

Each of the parties hereto acknowledges and agrees that the rights acquired by each party hereunder are unique and that irreparable damage would occur in the event that any of the provisions of this Agreement to be performed by the other party were not performed in accordance with their specific terms or were otherwise breached. Accordingly, in addition to any other remedy to which the parties hereto are entitled at Law or in equity, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other party and to enforce specifically the terms and provisions hereof in the Court.

14.14 Expenses

Each of the parties hereto shall pay its own fees and expenses (including the fees of any lawyers, financial advisors, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transaction contemplated hereby whether or not the transaction contemplated hereby are consummated.

14.15 No Broker or Finder

Each of the parties hereto represents and warrants to the other parties that no broker, finder or other financial consultant has acted on its behalf in connection with this Agreement or the transaction contemplated hereby in such a way as to create any liability on the other. Each of the parties hereto agrees to indemnify and save the other harmless

from any claim or demand for commission or other compensation by any broker, finder, financial consultant or similar agent claiming to have been employed by or on behalf of such party and to bear the cost of legal expenses incurred in defending against any such claim.

14.16 Publicity

The Buyer shall not, at any time, issue any press release or otherwise make any public statement with respect to the execution of, or the transaction contemplated by, this Agreement without the prior written consent of the Seller, such consent not to be unreasonably withheld.

14.17 Counterparts


This Agreement may be executed in counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement may be made and evidenced by facsimile or other electronic means of transmission.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Buyer and the Seller have executed this Agreement as of the day and year first written above.

G. POWROZNIK GROUP INC., solely in its capacity as Court-Appointed Receiver-Manager of **MORNINGSTAR GOLF CLUB LTD.** and not in its personal capacity

Per: _____


Name: Gary Powroznik
Title: Managing Director

REALCOR MORTGAGE CORP.

Per: _____

Name: Brian Cochrane
Title: President

IN WITNESS WHEREOF, the Buyer and the Seller have executed this Agreement as of the day and year first written above.

G. POWROZNIK GROUP INC., solely in its capacity as Court-Appointed Receiver-Manager of **MORNINGSTAR GOLF CLUB LTD.** and not in its personal capacity

Per: _____

Name: Gary Powroznik
Title: Managing Director

REALCOR MORTGAGE CORP.

Per: _____



Name: Brian Cochrane
Title: President

EXHIBIT "A" - Form of Vesting Order

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE) THE HONOURABLE) , 2021
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ON THE APPLICATION of G. Powroznik Group Inc. of G-Force Group, Court-appointed Receiver of Morningstar Golf Club Ltd. (the "**Receiver**"), coming on for hearing before me this day at 800 Smithe Street, Vancouver, BC; **AND ON HEARING** Jeffrey D. Bradshaw, counsel for the Receiver; and Karen Fellowes, counsel for the Petitioner, Realcor Mortgage Corp. ("**Realcor**"), and no one appearing on behalf of the other parties, although duly served; **AND ON READING** the Receiver's First Report dated September 24, 2019, the Receiver's Second Report dated April 14, 2021, and the Receiver's Third Report dated _____, 2021 (the "**Third Report**"), and materials filed herein;

THIS COURT ORDERS that:

SERVICE

1. The time for service of the Notice of Application dated June ____, 2021, is, to the extent necessary, hereby abridged and validated such that the Notice of Application is properly returnable today without further service or notice.

SALE APPROVAL AND VESTING

2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated _____, 2021, (the "**Asset Purchase Agreement**") between the Receiver and Realcor Golf Inc. (the "**Purchaser**"), a copy of which is attached hereto as **Schedule "A"** is hereby approved, and the Asset Purchase Agreement is commercially reasonable. The execution of the Asset Purchase Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Asset Purchase Agreement (the "**Purchased Assets**").
3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as **Schedule "B"** hereto (the "**Receiver's Closing Confirmation Certificate**"), all of Morningstar Golf Club Ltd.'s right, title and interest in and to the Purchased Assets described in the Asset Purchase Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) any Claims, other than those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Permitted Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances, other than the Permitted Encumbrances, affecting or relating to the

Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. The Receiver is authorized and directed to discharge or amend any registrations in the British Columbia Personal Property Registries that specifically relate to the Purchased Assets and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations.
5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Closing Confirmation Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
6. The Receiver is to file with the Court a copy of the Receiver's Closing Confirmation Certificate forthwith after delivery thereof.
7. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Morningstar Golf Club Ltd. Upon closing of the Asset Purchase Agreement, the employees and contractors hired by the Receiver herein shall cease to be employees or contractors of the Receiver and shall become employees or contractors of the Purchaser.
8. Subject to the terms of the Asset Purchase Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Asset Purchase Agreement).

9. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
10. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of Morningstar Golf Club Ltd. now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of Morningstar Golf Club Ltd.,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Morningstar Golf Club Ltd. and shall not be void or voidable by creditors of the Morningstar Golf Club Ltd., nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

FEE APPROVAL

11. The fees and disbursements of the Receiver from April 1, 2021, to April 30, 2021, as set out in the Third Report, are hereby approved.
12. The fees and disbursements of DLA Piper (Canada) LLP ("**DLA**", in its capacity as counsel to the Receiver), from March 1, 2021, to April 30, 2021, and as set out in the Third Report, are hereby approved.
13. The fees and disbursements of the Receiver and DLA, estimated not to exceed \$260,000 in aggregate, for the completion of remaining activities in connection with these Receivership proceedings, are hereby approved. If the additional fees and disbursements of the Receiver and DLA exceed this amount, the Receiver shall seek

approval of this Court for the amount in excess. For greater certainty, if the additional fees and disbursements incurred by the Receiver and DLA are less than the maximum approved herein, no further action is required by any party to effect the approval of such additional fees and disbursements.

DISCHARGE OF RECEIVER'S CHARGE

14. Upon the service by the Receiver of an executed certificate in substantially the form attached hereto as **Schedule "D"** (the "**Receiver's Termination Certificate**") on the Service List, by email, the Receiver's Charge (as defined in the Receivership Order) shall be and are hereby terminated, released and discharged, and shall be of no further force or effect, without the need for any further act or formality.
15. The Receiver is hereby directed to file a copy of the Receiver's Termination Certificate with the Court as soon as practicable following service thereof on the Service List.
16. The Receiver is hereby directed to post a copy of the filed Receiver's Termination Certificate on the Receiver's website.

TERMINATION OF PROCEEDINGS

17. Upon the service by the Receiver of the Receiver's Termination Certificate on the Service List, by email, certifying that, to the knowledge of the Receiver, all matters to be attended to in these proceedings have been completed, these proceedings shall be terminated without any further act or formality (the "**Termination Time**"), provided that nothing herein impacts the validity of any Orders made in these proceedings or any action or steps taken by any individual, firm, partnership, corporation, governmental body or agency, or any other entity pursuant thereto.
18. The Receiver is hereby directed to file a copy of the Receiver's Termination Certificate with the Court as soon as practicable following service thereof on the Service List.

DISCHARGE OF RECEIVER

19. Effective at the Termination Time, G. Powroznik Group Inc. of G-Force Group, shall be and is hereby discharged from its duties as the Receiver and shall have no further duties, obligations, liabilities, or responsibilities as Receiver from and after the

Termination Time, provided that, notwithstanding its discharge as Receiver, G. Powroznik Group Inc. of G-Force Group shall have the authority to carry out, complete or address any matters in its role as Receiver as are ancillary or incidental to these proceedings following the Termination Time as may be required.

20. Notwithstanding any provision of this Order, the Receiver's discharge or the termination of these proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Receiver shall continue to have the benefit of any of the rights, approvals and protections in favour of the Receiver at law or pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, the Receivership Order, any other Order of this Court in these proceedings or otherwise, all of which are expressly continued and confirmed following the Termination Time, including in connection with any actions taken by the Receiver following the Termination Time with respect to Morningstar Golf Club Ltd. or these proceedings.
21. No action or other proceeding shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver except with prior leave of this Court on not less than fifteen (15) days' prior written notice to the Receiver.

GENERAL

22. Any party affected by this order may apply to the Court as necessary to seek further orders and directions to give effect to this Order.
23. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Petitioner, Purchaser or the Receiver and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner, Purchaser or to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Petitioner, Purchaser, or the Receiver and their respective agents in carrying out the terms of this Order.

24. Endorsement of this Order by counsel appearing on this application other than the counsel for the Receiver and 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:

Signature of lawyer for the Receiver
DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)

Signature of lawyer for the Petitioner
Stikeman Elliot LLP (Karen Fellowes)

BY THE COURT

REGISTRAR

Schedule "A"

Asset Purchase Agreement

Schedule "B"

Receiver's Closing Confirmation Certificate

No. S186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

RECEIVER'S CERTIFICATE

- A. By Order pronounced on June 1, 2018, (the "**Receivership Order**") by Madam Justice MacNaughton of the Supreme Court of British Columbia, G. Powroznik Group Inc. of G-Force Group was appointed as the Receiver of the assets, undertakings and property of Morningstar Golf Club Ltd. (and in such capacity, the "**Receiver**").
- B. Pursuant to an order of the Court dated June ____, 2021 (the "**Sale Approval, Vesting and Termination Order**"), the Court approved the asset purchase agreement between Realcor Golf Inc. ("**RGI**") and the Receiver (the "**APA**").
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Approval, Vesting and Termination Order.

THE RECEIVER HEREBY CERTIFIES the following:

- 1. The Receiver has received the Purchase Price and all conditions of Closing have been satisfied or waived by the applicable parties.

This Certificate was delivered by the Receiver
at [TIME] on _____ 2021.

G. Powroznik Group Inc. of G-Force Group, in its capacity as the Receiver Morningstar Golf Club Ltd., and not in its personal capacity:

Per:

Name

Schedule "C"
Permitted Encumbrances

Schedule "D"
Receiver's Termination Certificate

No. S186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

RECEIVER'S CERTIFICATE

- A. By Order pronounced on June 1, 2018, (the "**Receivership Order**") by Madam Justice MacNaughton of the Supreme Court of British Columbia, G. Powroznik Group Inc. of G-Force Group was appointed as the Receiver of the assets, undertakings and property of Morningstar Golf Club Ltd. (and in such capacity, the "**Receiver**").
- B. Pursuant to an order of the Court dated June ____, 2021 (the "**Sale Approval, Vesting and Termination Order**"), the Court authorized these within proceedings be terminated by delivery of a Receiver's Certificate and upon delivery, the Receiver's Charge, granted in the Receivership Order, will be terminated, released and discharged, and shall be of no further force or effect.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Approval, Vesting and Termination Order.

THE RECEIVER HEREBY CERTIFIES the following:

- 1. The Receiver's Charge is hereby terminated, released and discharged, and shall be of no further force or effect.
- 2. The within proceedings are terminated.

This Certificate was delivered by the Receiver at [TIME] on _____ 2021.

G. Powroznik Group Inc. of G-Force Group, in its capacity as the Receiver of Morningstar Golf Club Ltd., and not in its personal capacity:

Per:

Name

No. S186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

ORDER MADE AFTER APPLICATION

**(SALE APPROVAL, VESTING, AND TERMINATION
ORDER)**

DLA Piper (Canada) LLP
Barristers & Solicitors
2800 Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 074081-00004

JDB/day

SCHEDULE 1 - Loans

First mortgage loan over the Morningstar Golf Course registered in the Victoria Land Title Office under Number CA1545577 as amended by Number CA4484571 and securing a balance of \$1,648,593.99 as at May 29, 2018, with per diem interest of \$243.56 on such amount thereafter.

SCHEDULE 2 - Receiver Certificates

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

CERTIFICATE NO. 1
AMOUNT \$ 50,000.00

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) made in SCBC Action No. S-186288 has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$50,000, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 1st day of June, 2018.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity



Per:

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

CERTIFICATE NO.	2
AMOUNT	\$ 100,000.00

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “Receiver”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “Property”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “Court”) dated the 1st day of June, 2018 (the “Order”) made in SCBC Action No. S-186288 has received as such Receiver from the holder of this certificate (the “Lender”) the principal sum of \$100,000, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 10th day of July, 2018.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: 

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

CERTIFICATE NO. 3

AMOUNT \$ 33,163.64

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) made in SCBC Action No. S-186288 has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$33,163.64, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 23rd day of August, 2018.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: 

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

CERTIFICATE NO. 4
AMOUNT \$ 116,836.36

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) made in SCBC Action No. S-186288 has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$116,836.36, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.
- ~~2.~~ The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 7th day of September, 2018.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: 

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

CERTIFICATE NO. 5

AMOUNT \$ 100,000.00

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) made in SCBC Action No. S-186288 has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$100,000.00, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 19th day of October, 2018.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: 

Name: Gary Powroznik, FCPA, LIT
Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

CERTIFICATE NO. 6
AMOUNT \$ 100,000.00

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “Receiver”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “Property”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “Court”) dated the 1st day of June, 2018 (the “Order”) made in SCBC Action No. S-186288 has received as such Receiver from the holder of this certificate (the “Lender”) the principal sum of \$100,000.00, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 31st day of December, 2018.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: 

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

CERTIFICATE NO. 7
AMOUNT \$ 750,000.00

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) and an Order by the Court After Application on October 4, 2019 (the “**October 4, 2019 Order**”) both made in SCBC Action No. S-186288 (collectively “the **Orders**”) has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$750,000, being part of the total principal sum of \$1,400,000 which the Receiver is authorized to borrow under and pursuant to the Orders.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Orders or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Orders.

DATED the 8th day of October 2019.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: 

Name: Gary Powroznik, FCPA, LIT
Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

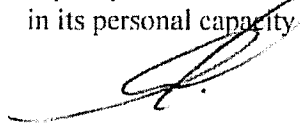
CERTIFICATE NO.	8
AMOUNT	\$ 62,000.00

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) and an Order by the Court After Application on October 4, 2019 (the “**October 4, 2019 Order**”) both made in SCBC Action No. S-186288 (collectively “the **Orders**”) has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$62,000, being part of the total principal sum of \$1,400,000 which the Receiver is authorized to borrow under and pursuant to the Orders.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Orders or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Orders.

DATED the 19th day of May 2020.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity



Per:

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

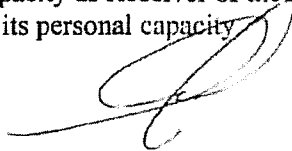
CERTIFICATE NO.	9
AMOUNT	<u>\$ 37,716.47</u>

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) and an Order by the Court After Application on October 4, 2019 (the “**October 4, 2019 Order**”) both made in SCBC Action No. S-186288 (collectively “the **Orders**”) has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$37,716.47, being part of the total principal sum of \$1,400,000 which the Receiver is authorized to borrow under and pursuant to the Orders.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Orders or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Orders.

DATED the 27th day of July 2020.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity



Per:

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

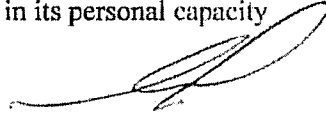
CERTIFICATE NO.	10
AMOUNT	\$ 50,283.53

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) and an Order by the Court After Application on October 4, 2019 (the “**October 4, 2019 Order**”) both made in SCBC Action No. S-186288 (collectively “the **Orders**”) has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$50,283.53, being part of the total principal sum of \$1,400,000 which the Receiver is authorized to borrow under and pursuant to the Orders.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Orders or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Orders.

DATED the 27th day of August 2020.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity



Per:

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

MORNINGSTAR GOLF CLUB LTD.

RECEIVER CERTIFICATE

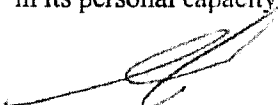
CERTIFICATE NO.	11
AMOUNT	\$ 790,000.00

1. THIS IS TO CERTIFY that G. Powroznik Group Inc., of G-Force Group (“G-Force”) the Receiver-Manager (the “**Receiver**”) of all of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the “**Court**”) dated the 1st day of June, 2018 (the “**Order**”) and an Order by the Court After Application on October 4, 2019 (the “**October 4, 2019 Order**”) and an Order by the Court After Application on April 22, 2021 (the “**April 22, 2021 Order**”), all made in SCBC Action No. S-186288 (collectively “the **Orders**”) has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$790,000, being part of the total principal sum of \$2,190,000 which the Receiver is authorized to borrow under and pursuant to the Orders.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a rate of 12 per cent per annum.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Orders or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at 4333 Ledger Avenue, Burnaby, BC, Canada V5G 3T3.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Orders.

DATED the 23rd day of April 2021.

G. POWROZNIK GROUP INC., solely in its capacity as Receiver of the Property, and not in its personal capacity.



Per:

Name: Gary Powroznik, FCPA, LIT

Title: Managing Director

SCHEDULE 3 - Owned Real Property

The lands and premises with an address at 525 Lowry's Road, Parksville, British Columbia and legally described as:

Parcel Identifier: 014-884-275

LOT A, DISTRICT LOTS 29, 81, 83 AND 126, NANOOSE DISTRICT, PLAN 49145,
EXCEPT PARTS IN PLANS VIP51714, VIP52613, VIP76030 AND VIP79051

Permitted Encumbrances (unaffected by the Vesting Order)

Legal Notations:

1. THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT; SEE AGRICULTURAL LAND RESERVE PLAN NO. 5, DEPOSITED 26 JULY 1974;
2. THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 29 OF THE MUNICIPAL ACT (SEE DF ED115978);
3. HERETO IS ANNEXED EASEMENT EH137064 OVER THAT PART OF LOT 1, PLAN 8903, EXCEPT PARTS IN PLANS 26472, 32898, 45632, 45825, 49145 AND VIP52613 SHOWN ON PLAN VIP59866;
4. HERETO INTER ALIA IS ANNEXED EASEMENT EV155454 OVER THAT PART OF LOTS 2 AND 3, PLAN VIP55697 SHOWN ON PLAN VIP76280;
5. HERETO IS ANNEXED EASEMENT EX74423 OVER THAT PART OF LOT 15, PLAN VIP79051 SHOWN ON PLAN VIP79053;
6. HERETO IS ANNEXED EASEMENT EX74424 OVER THAT PART OF LOT 19, PLAN VIP79051 SHOWN ON PLAN VIP79053;
7. HERETO IS ANNEXED RESTRICTIVE COVENANT EX74425 OVER THOSE PARTS OF LOTS 7, 8, 12, 13, 14, 15, 16, 17, 18, AND 19, PLAN VIP79051 SHOWN ON PLAN VIP79054;
8. HERETO IS ANNEXED RESTRICTIVE COVENANT EX92037 OVER PART OF LOTS 3, 4, 10, 11, 12 & 13, ALL OF PLAN VIP79269 AS SHOWN ON PLAN VIP79270.

Charges, Liens and Interests:

1. Exceptions and Reservations M76300 in favour of Esquimalt and Nanaimo Railway Company;
2. Undersurface Rights S6060 in favour of Weyerhaeuser Company Limited;

3. Covenant S97207 in favour of Her Majesty the Queen in Right of the Province of British Columbia and Regional District of Nanaimo;
4. Statutory Right of Way S97213 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
5. Undersurface and other Exc & Res EC103437 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
6. Covenant EC95138 in favour of Her Majesty the Queen in Right of the Province of British Columbia and Regional District of Nanaimo;
7. Statutory Right of Way EC95146 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
8. Covenant EC98512 in favour of Provincial Agricultural Land Commission;
9. Statutory Right of Way EF171715 in favour of Epcor Water (West) Inc.;
10. Statutory Right of Way EF171717 in favour of Regional District of Nanaimo;
11. Easement EG41354;
12. Statutory Right of Way EH128035 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
13. Easement EH137066;
14. Covenant EL99059 in favour of Regional District of Nanaimo.

SCHEDULE 4 - Contracts

CONTRACTS As of May 19, 2021

Operations Related

1. Collective Agreement with IUOE, Local 115.
2. Wedgewood Golf Management Letter of Engagement dated Oct 21, 2019.
3. Shaw Telephone, Fax, and Internet - Shaw Communications Ltd.
4. Security Monthly Monitoring Agreement - Houle Electric Ltd.
5. Insurance Contract Policy no. SGC10001564 July 15, 2020 - July 15, 2021.
6. Insurance on company pick-up truck – ICBC.
7. National Leasing Group Inc. Lease #2847047 dd 2017 11 27 – For 11 Pieces Greens Equipment Payment 6 remaining payments x \$2200 + tax per annum ending 2021 10 31, with buyout for \$1.
8. Monthly Service Agreement for Copier – AGS Business Systems.
9. Dishwasher lease through Sysco –November 2020 - \$120 / month- Victoria Keystone #502634749.
10. Microsoft 365 licence billed monthly by AGS Business systems.
11. Chronogolf Golf Course Management Software and Lightspeed Point of Sale Service and License Agreement August 19, 2020 and updated May 17, 2021.
12. Golf Vancouver Island marketing and reservation agreement.
13. Carmichael HVAC Preventative Maintenance contract.
14. Chase Bank Paymentech credit card processing services.
15. Elavon Credit Card Processor, pending applications to replace Chase, sent April 18, 2021.
16. Membership Agreements.
17. Encroachment Removal and Development Cooperation Agreement.

Water and Irrigation

1. Water Licence #C132333 dd 2015 07 22 – For the diversion of water from Morningstar Creek in February and March each year into the two main irrigation ponds for storage and source of irrigation.
2. Water Licence #72283 dd 1990 12 14 – For the storage of water in 4 dugout ponds for irrigation.
3. Ministry of Environment Permit #PE-8195 dd 1990 04 26 - For the storage and use for irrigation of discharge effluent provided by the Regional District of Nanaimo (RDN) from the French Creek Pollution Control Centre.
4. RDN and MGC Agreement dd 1989 10 18 - For the supply of treated effluent from RDN's French Creek Pollution Control Centre to MGC.
5. Well license application Tracking #100269131 dd 2018 11 29 and interim authorization dd 2019 06 10 – For drawing groundwater from 3 wells.

6. Pesticide Licence # 23251- the golf course must have a licence as well as each licenced applicator.

Food and Beverage

1. VIHA Permit to Operate dd 2018 08 03 – For Food Services in excess of 50 seats.
2. Liquor Primary License #148270 Expiry Date 2020-08 31 – For the sale of liquor on the (patio) adjoining the restaurant and from the beverage cart.
3. Food Primary Licence #145641 Expiry Date 2020-08 31 – For the sale of liquor with the service of food in the restaurant and outside deck.

SCHEDULE 5 - Equipment

Equipment

As of March 31, 2021

1. GOLF CAR ASSETS

2. GOLF OPERATIONS

Golf Shop

Office

Golf Car Storage Building

Practice Tee

3. CLUB HOUSE ASSETS

Clubhouse Building - Upper Level Seating

The Turn

Clubhouse Building - Upper Kitchen Level

Preparation Room

Clubhouse Building - Lower Level Offices (4)

Clubhouse Building - Lower Level Food & Beverage

Clubhouse Building - Lower Level Dry Storage

Pavilion

4. COURSE MAINTENANCE ASSETS

Maintenance Equipment

Hand Tools

Maintenance Office Furniture & Equipment

Irrigation System

GOLF CAR ASSETS
As of March 31, 2021

Inventory Management		MORNINGSTAR			
Cart #	Serial Number	8V or 12V	Batt Date Code	JCI/Trojan	OBC Version
1	PH1039-132061	8V	J8	JCI	6.0
2	PH1050-157266	8V	J8	JCI	6.0
3	PH1039-132063	8V	B0	TROJAN	5.5
4	PH1039-131942	8V	J8	JCI	6.0
5	PH1039-131936	8V	B0	TROJAN	5.5
6	PH1039-131927	8V	B0	TROJAN	5.5
7	PH1039-131928	8V	J8	JCI	6.0
8	PH1039-131929	8V	J8	JCI	6.0
9	PH1039-131952	8V	B0	TROJAN	5.5
10	PH1039-131931	8V	B0	TROJAN	5.5
11	PH1039-131959	8V	B0	TROJAN	5.5
12	PH1039-131935	8V	B0	TROJAN	5.5
13	PH1039-131937	8V	B0	TROJAN	5.5
14	PH1039-131962	8V	B0	TROJAN	5.5
15	PH1039-131922	8V	B0	TROJAN	5.5
16	PH1039-131941	8V	B0	TROJAN	5.5
17	PH1039-131982	8V	B0	TROJAN	5.5
18	PH1039-131987	8V	B0	TROJAN	5.5
19	PH1039-131921	8V	B0	TROJAN	5.5
20	PH1039-131924	8V	B0	TROJAN	5.5
21	PH1039-131999	8V	J8	JCI	6.0
22	PH1039-132046	8V	J8	JCI	6.0
23	PH1039-132047	8V	A8	JCI	6.0
24	PH1039-132003	8V	J8	JCI	6.0
25	PH1039-132005	8V	J8	JCI	6.0
26	PH1039-132051	8V	J8	JCI	6.0
27	PH1039-132010	8V	B0	TROJAN	5.5
28	PH1039-132055	8V	B0	TROJAN	5.5
29	PH1039-132043	8V	B0	TROJAN	5.5
30	PH1039-132059	8V	J8	JCI	6.0

GOLF OPERATIONS ASSETS

As of March 31, 2021

Golf Operations Department		
Golf Shop		
Counter	1	
Shelving and display racks	misc	
Flat screen tv	1	
Dell 7010 workstations	2	
HP Laserjet printer	1	
Chairs	2	
Counter and storage cabinets	misc	
I Com hand held radios	5	
Office		
desk/hutch set	1	
office chair	3	
filing cabinet lateral	1	
small fridge	1	
shelving	1	
cash drop safe	1	
Safe 8" x 20"	1	
Dell 7010 workstation	1	
ASUS monitor	2	
HP printer/scanner	1	
Golf Car storage bldg		
Charging units	30	
central charging unit	1	
EP electric range ball washer	1	
Pop up tents	2	
Golf bag storage shelving	misc	
Practice Tee		
Dry range covers	3	
artificial turf stations	9	
EP range ball dispenser	1	
EP range ball picker	1	
Club Car carryall - gas	1	2003

CLUB HOUSE ASSETS
As of March 31, 2021

CLUBHOUSE BUILDING - UPPER LEVEL SEATING			
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ITEM	QTY	ITEM	QTY
Dining Tables	16	Draft Beer Dispenser	4 outlets
Dining Chairs	44	Pop Dispenser	11 outlets
Deck Tables	6	Receipt Printer	1
Deck Chairs	23	Stainless Bar Back Fridge (non-operational)	1
Umbrellas	6	Coffee pumps (loan from Oughtred)	2
Bar Counter		Coffee machine	1
Bar Stools	4 (in stor.)	Stainless Coffee Carafes	4
F/Screen Samsung TVs	3	iPad	1
Sink - Stainless	single x 3	Chase pin pad	1
Glassware	multiple	Wood Cabinet Storage	2
Coolers	2 (on loan from Pepsi)	Cutlery	3 sets

THE TURN			
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ITEM	QTY	ITEM	QTY
Patio Table	1	Draft Beer Dispenser	2
Patio Chairs	4	POS - Chase/Poynt	2
Umbrella	1	Fridge/mini	1
Slide in Counter		Coffee Dispenser	1
Stool	1	Glass Shelving	2
Sinks	2	Hot Water Disp./Warmer	1
Coolers	2	Hot Dog Roller	1
Portable Cooler	1	Food Steamer	1
iPad	1	Black/Decker Grill Top	1

CLUB HOUSE ASSETS

As of March 31, 2021

CLUBHOUSE BUILDING - UPPER KITCHEN LEVEL			
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ITEM	QTY	ITEM	QTY
Star Micronic Printer	1	Hobart Dishwasher	1
NSF Gas Grill	1	Cooking Trays, pots, pans	Multiple
Quest Deep Fryer	2 units	Mixing/Serving Bowls	Multiple
Royal Conv. Oven	1	Crockery/Cutlery	Multiple
Stainless Sink	1	Cintas First Aid Kit	1
Stainless Prep Counter w/cooler	1	Cintas Eye Wash	1
Vulcan Gas range (6 burner + grill top)	1	Danby 16.7 cu ft Upright Freezer	1

PREPARATION ROOM			
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ITEM	QTY	ITEM	QTY
Stainless Sink - Double	1	Baking Sheets	Multiple
Stainless Prep. Counter	1	Blentec Blender	Single
Racking		Vollrath Soup Warmer	Single
Cooler - on loan from Pepsi	1	Cambro Food Containers	Multiple
New sliding door cooler 2020	1	Kitchen Utensils	Multiple
Microwave	Single	Cutting Boards	Multiple
Belleco Toaster	Single	Hotel Pans	Multiple
Food Insert containers	Multiple		
Potato Puncher	Single		

CLUB HOUSE ASSETS

As of March 31, 2021

CLUBHOUSE BUILDING - LOWER LEVEL OFFICES (4)

ITEM	QTY	ITEM	QTY
Desks	4	Bookcase	3
Boardroom Table	1	Safe - 24" x 24"	1
Boardroom Chairs	8	Dell Computers (2012)	2
Office Chairs	3	Monitors	4
Guest Chairs - brown vinyl	8	Server Power Edge 1900	1
Guest Chairs - gray fabric	4	Back-up APC Pro 1000	1
White Board	1	Copier/Fax/Printer Ricoh (Network Color)	1
Stationery Cabinet	1		
Filing Cabinets	6	Cash Drop Box	1

CLUBHOUSE BUILDING - LOWER LEVEL FOOD & BEVERAGE

(In Cooler Room - walk-in Fridge, walk-in Freezer)

ITEM	QTY	
Freezer - 8 cu. Ft.	1	
Ice Machine & Bin (on lease from Ice Cube Leasing)	1	
Stainless Prep. Counter	1	
Shelving		
Beverage Dispense Pump		Pepsi owned
Draft Beer line system	1	

CLUB HOUSE ASSETS

As of March 31, 2021

CLUBHOUSE BUILDING - LOWER LEVEL DRY STORAGE

ITEM	QTY	ITEM	QTY
		Cutlery	Multiple
		Wooden Shelving	Multiple
Indoor Driving Range Net/Pads System	1	Plates - banquet	Multiple
Tables - round - 48"	12	Chairs - brown vinyl	20
Tables - rectangle	1	Banquet Tables - 8' Folding	16
Stacking Event Chairs	150		
Serving Trays Electric & Flame	Multiple		

PAVILION

ITEM	QTY
bar counter	1
moveable counter w/ bev dispenser	1
Sink	Single
Round tables	3
Folding 8 ft banquet tables	15
stacking chairs	6
Flat screen tv's Samsung	2
PA and Music equipment	1
shelving	Multiple
Lecturn	1
Misc office desk assembly components	20

COURSE MAINTANCE ASSETS

As of March 31, 2021

Maintenance Equipment	Year Acquired	Comments
2 Post Hoist	2003	
2 Ton Floor Jack	2004	
3 Ton Floor Jack	1995	
Aerway Slicer	2003	
Anglemaster Bedknife Grinder	1990	
Bench Grinder	1995	
Chevy Pickup Truck	2000	
Club Car Utility Cart #1	1995	
Club Car Utility Cart #2 (1999)	2004	
Club Car Utility Cart #3 (1999)	2004	
Club Car Carry All Turf 2		
Club Car Electric #30		
Compressor 20gal	2003	
Compressor 60gal	1991	
Cub Car Range Cart	2003	
Demo TB200 Turf Brush	2013	Under Lease 2847047
Dewalt 3/8 Cordless Drill	2021	
Dewalt 3/8 Cordless Impact Drill	2021	
Dewalt 3/8 Drill	2000	
Dewalt Palm Sander	2005	
Dewalt Reciprocating Saw	2004	
Drill Press	1995	
Echo hand blower	2020	
Echo water pump 2"	2006	
Express Dual Grinder	1990	
Fuel Tank 300 gallons	2020	
Fuel Tank 500 gallons	2020	
Honda Line Trimmer	2004	
Honda Line Trimmer	2004	
Honda Line Trimmer	2004	
Honda water pump 2"	2014	
Honda water pump 4"	2018	
Honda water pump 4"	2018	
Husky Hedge Trimmer	2004	
Husky Push Mower	2013	
Hydra spread	1995	
Jacobson Core Harvester	2002	
Jacobsen Eclipse Greensmower s/n 6280301688		
Jacobsen HR5111 Noughmower s/n 6911607663		
J D 1070 Tractor	1991	
J D 220A	1995	
J D 220A	1998	
J D 220A	1998	
J D 4120 Tractor	2005	

J D Backhoe 8A	1991	
J D 2000 AerCore		
J D Trap Rake 1200a	2001	
John Deer 2020 Progator Ut Vehicle	2014	Under Lease 2847047
John Deer HD 300 Select Sprayer	2014	Under Lease 2847047
John Deere Gator TX Turf Ut Vehicle	2014	Under Lease 2847047
Kabota 60" Mowing Deck	1998	
Licoin Welder	2005	
Long Arm Crane 2 Ton	1993	
Makita ½" Drill	2002	
Makita Belt Sander	2000	
Makita Chop Saw	2000	
Makita Cordless Drill	2006	
Makita Orbital Sander	2002	
Mastercraft Mitre Saw	2007	
MTD Rotary 22"	2004	
Orchard Ladder 20'		
Peerless Relief Grinder (1980)	2004	
PowerJet Pressure Washer	2012	
Prize Lawn CBR III Spreader	2008	
P3-Power Generator	2005	
Prize Lawn CBR III Spreader	2008	
RedMax Recip Cutter	2013	
Ryan Ga 30	1999	
Ryan Renovair	1990	
Ryan Sod Cutter	1995	
Salsco Greens Roller and Trailer	2012	
Scotts Spreader	2004	
Scotts Spreader	2004	
Seco Transit	2004	
Paint Spray Gun		
Sthil Pole Saw	2020	
Sthil Chainsaw 260	2010	
Sthil Chainsaw Magnus	2002	
Sthil String Trimmer	2014	
Sthil String Trimmer	2014	
Stihl Backpack Blower	2018	
Stihl Backpack Blower	2010	
TD Top Dresser		
True Surface Vibratory Rollers x 3	2014	
Tire Machine	1995	
Toro 11 blade reels	2000	
Toro 3150	2003	tee mower
Toro Greenspaster 3150 Triplex (used)	2007	Under Lease 2847047 - tee mower
Toro Greensmaster 3150 Triplex	2014	Under Lease 2847047 - primary
Toro 3150 #2	2003	*** Being used for parts
Toro 3500 D	2003	*** Being used for a trade
Toro Groundsmaster 3500D	2014	Under Lease 2847047 - sidewinder
Toro Greensmaster 4500 D	2003	

Toro 5200 D	2003	fairway verticutter
Toro 5410D	2011	fairway
Toro 5410D	2011	fairway
Toro Procore 648	2006	
Toro Aero Thatch 83 & Seeder 93	2006	
Toro Fwy Verticuting Reels (2003)	2007	
Toro Greens Verticuting Reels	1999	
Toro Proforce Blower	2014	Under Lease 2847047
Toro Reelmaster 5000 Brush Kits x 2	2014	Under Lease 2847047
Toro Rollers	2004	
Toro Sandpro 3040	2014	Under Lease 2847047
Toro Trap Rake (1999) 3020	2011	*** Requires parts - repair quote
Toro Workman 1100	2005	*** Currently away for repair
Toro Workman 2110	2005	*** Will be taken for repair
Toro Workman 3300	2007	
Toro Workman 3200	2005	
Transit Set		
Tycrop MH 400	2010	
Tycrop Topdressor	2006	
Vermeer Chipper 600XL	2005	
Vicon Spreader	1990	
Water pump 2"	2012	
Wire Locator 541	2008	

Hand Tools		Quantity
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Metric Wrench Set		1
SAE Wrench Set		1
Wrenches		7
Screw Driver Sets		1
Saws		4
Miscellaneous Tools		30
<i>Crowbar, Tape Measures, Levels, etc.</i>		

Landscape Tools		
------------------------	--	--

Shovels		16
Rakes		18
Misc		30
<i>Edging, Forks, Brooms, etc.</i>		

Garden Tools		
---------------------	--	--

Hand Pruners		1
Loppers		2
Hedge Trimmer		1
Pole Saw		2
Misc		10
<i>Weeder, Hoe, Trowels, Jugs, Sprinklers</i>		

Specialty Tools		
Cup Cutters		3
Cup Setters		2
Hex Repair Tool		1
Sod Slide		1
Dew Whip		1
Drag Mat		2

Maintenance Office Furniture & Equipment	Quantity	Description
desk	4	
chairs	6	
computer monitor	2	
workstations	1	
keyboard	3	
mouses	3	
printers	2	
filing cabinets	3	
storage cabinets	4	
Toro Irrigation system - Site pro	1	workstation & software
Lunch room		
tables	2	
chairs	12	
lockers	14	
fridge	1	
microwave	1	
toaster	1	
washer	1	
dryer	1	

Irrigation System	Quantity	Comments
Pump # 1, Jockey 25hp	1	
Pump # 2 - 50HP	1	
Pump # 3 - %0 HP	1	overhauled in Feb '21
1/2 HP compressor	1	acquired in 2020 to run the aerators
Aerators	9	

SCHEDULE 6 - Intellectual Property

INTELLECTUAL PROPERTY ASSETS

As of March 31, 2021

1. Internet domain names – www.morningstargolf.com (registered with Go Daddy # 234135986)
 - a. Facebook
 - b. Instagram
 - c. Twitter
2. Morningstar logo art files
3. Name 'Morningstar Golf Club'
4. Any and all copyrights (registered and unregistered) and copyrightable works and registrations and applications for registration
5. Computer software, data, databases, and related documentation
 - a. Includes 9 Office 365 licences, ChronoGolf, Lightspeed POS, and ChronoPitch CRM
6. List of members
7. Trade secrets and other confidential information (including ideas, financial and marketing plans, customer and supplier lists)
8. Golf Vancouver Island, BC Golf Guide, Golf Central, Parksville Qualicum Beach Tourism Assn and local hotel partner relationships
9. Vancouver Island Economic licensee
10. Parksville Chamber of Commerce membership
11. Golf Canada and British Columbia Golf memberships
12. Library of photographs

SCHEDULE 7 - Statutory Priority Claims

**Statutory Priority Claims
As of April 30, 2021**

	\$
Property Taxes due to BC Ministry of Finance	124,147.08
Employee withholdings due to Canada Revenue Agency	41,535.82
GST due to Canada Revenue Agency	7,335.11
Worksafe BC	6,786.31
WEPPA	2,000.00
	<u>181,804.32</u>

SCHEDULE 8 - Encroachment Removal and Development Cooperation Agreement

ENCROACHMENT REMOVAL AND DEVELOPMENT COOPERATION AGREEMENT

THIS AGREEMENT dated June 11, 2021 is between:

G.POWROZNIK GROUP INC., solely in its capacity as court-appointed receiver and manager of the assets, undertakings and properties of **MORNINGSTAR GOLF CLUB LTD.**, and not in its personal capacity

(the "Receiver")

AND

LOT G HOLDINGS LTD., a company incorporated under the laws of British Columbia.

("LGH")

BACKGROUND

- A. LGH is the owner of those certain lands located in the vicinity of Parksville B.C. and legally described in Schedule "A" hereto ("**Lot G**").
- B. Pursuant to an order of the Supreme Court of British Columbia (Vancouver) dated June 1, 2018 (the "**Receivership Order**"), the Receiver was appointed as receiver and manager of the assets, properties and undertakings of Morningstar Golf Club Ltd. (the "**Debtor**") comprising the Morningstar Golf Course located in the vicinity of Parksville B.C. (the "**MGC Assets**") including those lands and premises located adjacent to Lot G and legally described as Schedule "A" hereto (the "**MGC Lands**").
- C. There are certain encroachments from the MGC Lands onto Lot G as shown on the sketch plan attached as Schedule "D" of this Agreement (the "**Encroachments**") which must be removed by the Receiver or any purchaser of the MGC Assets from the Receiver.
- D. LGH intends to develop Lot G in accordance with the Lot G Development Plan (as defined herein) which includes *inter alia* certain applications and undertakings requiring the cooperation of the owner of the MGC Lands.
- E. The parties have agreed to enter into this agreement to reach mutually acceptable understandings to address the Encroachments and to commit to certain land exchanges and easements that, in combination, will facilitate the sale of the MGC Assets by the Receiver and the development of Lot G by LGH.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which each of the parties acknowledge, the parties agree as follows:

Article 1

INTERPRETATION

1.1 **Defined Terms.** In this Agreement:

- (a) **"Agreement"** means this agreement, including all Schedules, as it may be supplemented, amended, restated or replaced from time to time.
- (b) **"ALC"** means the Agricultural Land Commission of the Province of British Columbia.
- (c) **"ALR"** means the agricultural land reserve designated by the ALC under the *Agricultural Land Commission Act* (BC).
- (d) **"Approvals"** means the applications and approvals required by LGH from the relevant governmental or regulatory authorities to complete the Lot G Development Plan.
- (e) **"Business Day"** means any day except Saturday, Sunday or statutory holiday in the Province of British Columbia.
- (f) **"Connector Paths"** has the meaning given in paragraph 2.2(b)(iii).
- (g) **"Debtor"** has the meaning given in Recital B of this Agreement.
- (h) **"Encroachment Removal Deadline"** has the meaning given in paragraph 2.3(d) hereof.
- (i) **"Encroachments"** has the meaning given in Recital C of this Agreement and as further described in paragraph 2.2 hereof.
- (j) **"Existing Easements"** has the meaning given in paragraph 2.2 hereof.
- (k) **"Land Exchange"** has the meaning given in paragraph 2.1(a) hereof.
- (l) **"Lot 1"** means the parcel of land to be subdivided from Lot G and comprising approximately 3.98 hectares of land as shown on Lot G Subdivision Plan, the dimensions of which may be modified if LGH is required to revise the Lot G Subdivision Plan.
- (m) **"Lot 2"** means the approximately 4.60 hectares parcel of land remaining after Lot 1 is subdivided from Lot G, as shown on the Lot G Subdivision Plan, the dimensions of which may be modified if LGH is required to revise the Lot G Subdivision Plan.
- (n) **"Lot G"** has the meaning given in Recital A of this Agreement.
- (o) **"Lot G Development Plan"** has the meaning given in paragraph 2.1 hereof.
- (p) **"Lot G Rezoning Bylaw"** means LGH's pending rezoning and Official Community Plan of the RDN amendment application with the RDN under File No. (PL2019-051) to *inter alia* permit the subdivision of Lot G into two lots with zones as designated in the amending bylaw and varying the minimum lot size under the current Official Community Plan of the RDN for Lot 2.
- (q) **"Lot G Subdivision Plan"** means the subdivision plan of Lot G to subdivide Lot 1 and Lot 2 from Lot G, subject to approval of the MOTI and ALC, a copy of which is attached hereto as Schedule "C".

- (r) "MGC Assets" has the meaning given in Recital B of this Agreement.
- (s) "MGC Lands" has the meaning given in Recital B of this Agreement.
- (t) "MGC Lands Requirements" has the meaning given in paragraph 2.2 hereof.
- (u) "MOTI" means the Ministry of Transportation and Infrastructure of British Columbia.
- (v) "New Golf Cart and Utilities Easement" has the meaning given in paragraph 2.2 hereof.
- (w) "Notches" has the meaning given in paragraph 2.1(a)(ii) hereof.
- (x) "Parties" means LGH and the Receiver, collectively, and "Party" means either one of them.
- (y) "Permit" means any building permit, development permit or development variance permit application, rezoning, OCP or bylaw amendment application or other material municipal approval or permit issued by the RDN, the MOTI or any other governmental authority having jurisdiction over Lot G or the MGC Lands.
- (z) "Postage Stamp" has the meaning given in paragraph 2.1(a)(iii) hereof.
- (aa) "RDN" means the Regional District of Nanaimo.
- (bb) "Strip" has the meaning given in paragraph 2.1(a)(i).
- (cc) "Subdivision 1" has the meaning given in paragraph 2.1(a)(ii).
- (dd) "Subdivision 2" has the meaning given in paragraph 2.1(a)(iii).
- (ee) "Water Well" has the meaning given in paragraph 2.1(e) hereof.

1.2 **Schedules.** The following are the schedules attached to and incorporated in this Agreement by reference and are considered to be a part hereof:

Schedule "A"	-	Legal Descriptions
Schedule "B.1"	-	Land Exchange - Subdivision 1
Schedule "B.2"	-	Land Exchange - Subdivision 2
Schedule "C"	-	Lot G Subdivision Plan
Schedule "D"	-	Encroachments
Schedule "E"	-	Strip, Notches and Postage Stamp
Schedule "F.1"	-	New Golf Cart and Utilities Easement Terms of Instrument
Schedule "F.2"	-	New Golf Cart and Utilities Easement Location

Article 2

COOPERATION

2.1 **Lot G Development Plan.** The Parties acknowledge and agree that LGH intends to develop Lot G (collectively, the "Lot G Development Plan") by:

- (a) completing one or more transfers, subdivisions and/or other applications pertaining to Lot G and the MGC Lands such that:
 - (i) the part of Lot G shown on Subdivision Plan EPP109379 attached hereto as Schedule "B.1" (the "Strip") will be transferred to the Receiver as owner of the

MGC Lands and thereafter consolidated with a portion of the MGC Lands to create a new legal parcel as shown on Subdivision Plan EPP109379. For greater certainty the Strip is also shown in red and labeled on the sketch plan attached as Schedule "E" hereto;

- (ii) those parts of the MGC Lands shown on Subdivision Plan EPP109379 attached hereto as Schedule "B1" (collectively, the "**Notches**") will be transferred to LGH as owner of Lot G and thereafter consolidated with Lot G to create a new legal parcel as shown on Subdivision Plan EPP109379. For greater certainty, the Notches are also shown in green and labeled on the sketch plan attached hereto as Schedule "E" (the subdivision described in paragraph 2.1(a)(i) and 2.1(a)(ii) hereinafter referred to as "**Subdivision 1**"); and
- (iii) that part of Lot G comprising 0.35 hectares of land shown in red and labelled on the sketch plan attached hereto as Schedule "E" (the "**Postage Stamp**") will be transferred to the Receiver as owner of the MGC Lands and thereafter consolidated with the new legal parcel subdivided from the MGC Lands referred to in paragraph 2.1(a)(i) as shown on the proposed subdivision plan attached hereto as Schedule "B.2" ("**Subdivision 2**"),

(Subdivision 1 and Subdivision 2, collectively, the "**Land Exchange**").

- (b) obtaining fourth reading of the Lot G Rezoning Bylaw by the RDN;
- (c) completing the Lot G Subdivision;
- (d) obtaining such other Permits or approvals as may be required by LGH to develop Lot G; and
- (e) constructing, installing, maintaining and operating a water well on Lot G for the benefit of the proposed Lot 2 (the "**Water Well**") to the satisfaction of the RDN.

2.2 **MGC Lands Requirements.** The Parties acknowledge and agree that in connection with the Lot G Subdivision Plan and/or to facilitate the sale of the MGC Lands, the Receiver and/or LGH, as the case may be, will complete the following requirements (collectively, the "**MGC Lands Requirements**"):

- (a) promptly after completion or concurrently with the Land Exchange:
 - (i) a new easement in the form attached as Schedule "F1" or in such other form as the parties may agree in writing, will be granted by LGH over the portion of Lot G shown on the survey plan attached hereto as Schedule "F" to allow the construction and maintenance of a golf cart path and utilities over, in and under the proposed easement area ("**New Golf Cart and Utilities Easement**") and registered against title to Lot G;
 - (ii) the Receiver will discharge the existing easements CA7692581 and CA7692583 registered against Lot G, as servient tenement, in favour of the MGC Lands, as dominant tenement within seven days of receipt of registrable discharges of the same from LGH (collectively, the "**Existing Easements**"); and
- (b) the Receiver will remove all of the Encroachments as shown on Schedule "D" hereto, as may be identified by notice from LGH to the Receiver, including, without limitation:

- (i) the approximately 30 metres of ditch in the panhandle portion of Lot G that drains into the pond on Hole 5 of the golf course on the MGC Lands;
- (ii) the golfcart/pedestrian pathways located at several locations on Lot G along Holes 6 and 7 of the golf course on the MGC Lands; and
- (iii) the two existing cart paths connecting green #5 and tee #8 with tee #6 and green #7 (the "**Connector Paths**") as shown in red and labelled on Schedule "D".

2.3 **Cooperation.** The Receiver and LGH hereby approve the Lot G Development Plan and the MGC Lands Requirements, and agree to provide all reasonable cooperation to each other in respect thereto. In particular, the Receiver agrees to fully cooperate with the requirements of LGH in connection with the Lot G Development Plan and not to oppose the same. Without limiting the generality of the foregoing, the Receiver agrees to:

- (a) sign all instruments, subdivision plans, documents or consents, in registrable form, when applicable, within seven days after receipt of same, and promptly do all such further acts as may be required to complete the Land Exchange, which documents are to be prepared by LGH and for which costs are to be shared by the Parties in accordance with paragraph 2.6;
- (b) with respect to LGH's applications to the ALC, not to oppose in any way any of LGH's applications to the ALC to exclude any or all of Lot G from the ALR;
- (c) execute and deliver a discharge of the Existing Easements to be registered concurrently with the New Golf Cart Easement following the completion of the Land Exchange;
- (d) remove the Encroachments from Lot G and restore any damage caused to Lot G as a result thereof on or before the completion of the sale of the MGC Assets and the MGC Lands to a purchaser, unless otherwise agreed to by LGH in writing (the "**Encroachment Removal Deadline**"). The removal of the Encroachments shall be completed by a qualified professional engineer licenced to practice in BC and shall be completed to the satisfaction of LGH, acting reasonably, at the sole cost and expense of the Receiver. The Receiver's qualified professional engineer shall promptly and diligently restore any damage caused to Lot G as the result of the removal of the Encroachments from Lot G. Notwithstanding the foregoing, the Receiver shall not be required to remove the Encroachments by the Encroachment Removal Deadline if the Receiver obtains a written agreement of the purchaser of the MGC Assets in favour of LGH to pay to LGH or its solicitors, in trust, a sum of \$100,000 as a bond for the completion of the removal of the Encroachments and a covenant to complete the removal of the Encroachments as required under this paragraph 2.3(d) within 6 months of the completion of the sale of the MGC Assets; and
- (e) promptly execute and deliver at the reasonable request of LGH all such further documents, deeds and instruments within seven days after receipt of same, and promptly perform all such further acts as may be reasonably requested by LGH to facilitate the Lot G Development Plan.

2.4 **Reasonable Access.** The Receiver shall permit reasonable access by LGH at its own risk over fairways 6 and 7 to the Lot G panhandle to conduct further work on Lot G that might be required to complete applications by LGH for subdivision and development approvals or approvals of the Water Well. LGH agrees to indemnify and hold harmless the Purchaser for damage to the MGC Assets or business caused by LGH or its agents or subcontractors;

2.5 **Costs and Expenses.** Except as otherwise specified in this Agreement, all costs and expenses (including the fees and disbursements of accountants, Receiver, legal counsel and other

professional advisers) incurred in connection with this Agreement are to be paid by the Party incurring those costs and expenses. If this Agreement is terminated, the obligation of each Party to pay its own costs and expenses is subject to each Party's respective rights arising from a breach or termination.

- 2.6 **Timing of Land Exchange.** LGH and the Receiver acknowledge that the Land Exchange is currently in progress and that LGH has submitted subdivision applications to MOTI to approve the Land Exchange. LGH has received preliminary layout review for Subdivision 1 on March 2, 2021 (MOTI File No. 2020-04421) and has received preliminary layout review for Subdivision 2 on May 13, 2021 (MOTI File No. 2021-01216). LGH and the Receiver agree to cooperate to complete the Land Exchange within 12 months of the execution and delivery of this Agreement or such other time mutually agreed upon by the parties in writing.
- 2.7 **Costs for Land Exchange.** Notwithstanding paragraph 2.5 hereof, all application, survey and registration costs associated with the Land Exchange shall be borne equally by LGH and the Receiver.
- 2.8 **Representation of Receiver.** The Receiver represents and warrants to LGH that the Receiver has the right to enter into this Agreement.
- 2.9 **Assignment by Receiver on Sale.** The Receiver shall assign its obligations under this Agreement to any prospective purchaser of the MGC Assets and MGC Lands as a condition of and upon closing of such a sale and shall obtain a written assumption agreement on the closing of such sale in favour of LGH and in a form acceptable to LGH, acting reasonably, signed by the Purchaser in connection with such assignment and assumption. Upon closing of the sale of the MGC Assets and MGC Lands and upon the delivery of the written assumption agreement by the purchaser thereof to LGH, the Receiver will be released from its obligations under this Agreement, and the purchaser will be solely responsible for performance of such obligations.

Article 3

GENERAL

- 3.1 **Amendment.** This Agreement may be amended or supplemented only by a written document signed by the party intended to be obligated by it.
- 3.2 **References to Lands.** Any references to Lot G and MGC Lands shall be interpreted to refer to any parcels subdivided from or consolidated with such lands as the context requires.
- 3.3 **Entire Agreement.** This Agreement is the entire agreement between the Parties relating to the subject matter of this Agreement and supersedes any prior agreement, negotiations, and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, or agreements, express or implied, statutory, collateral, or otherwise, save as set forth herein.
- 3.4 **Governing Law.** This Agreement will be governed by, and construed in accordance with, British Columbia law and applicable Canadian law and will be treated in all respects as a British Columbia contract.
- 3.5 **Binding Agreement.** This Agreement will bind and benefit each of the Parties, and each of their respective successors, heirs, executors, personal representatives and permitted assigns.
- 3.6 **Time of the Essence.** Time shall be of the essence under this Agreement and in respect to all matters to be completed hereunder.

3.7 **Notices.** In this Agreement:

- (a) any notice or communication required or permitted to be given under the Agreement will be in writing and will be considered to have been given if delivered by hand, transmitted by facsimile transmission or mailed by prepaid registered post in Canada, to the address, facsimile transmission number or e-mail of each Party set out below:

- (i) if to LGH:

Operating Engineers' Pension Plan
4333 Ledger Avenue
Burnaby, BC
V5G 3T3 Canada
Attention: Mr. Lee Riggs
Fax No: (604) 473-5235

- (ii) if to the Receiver:

Suite 710 – 750 Pender Street West
Vancouver, British Columbia
V6C 2T7, Canada
Attention: Gary Powroznik
Fax No.: (778) 370-0043

or to such other address or facsimile transmission number as any Party may designate in the manner set out above;

- (b) notice or communication will be considered to have been received:
- (i) if delivered by hand during business hours, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business on the next Business Day;
 - (ii) if sent by facsimile transmission during business hours, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of business on the next Business Day; and
 - (iii) if mailed by prepaid registered post in Canada, upon the 5th Business Day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication shall be delivered by hand or sent by facsimile transmission.
- (c) All notices to be provided by any Party to another Party will be provided concurrently to the remaining Party to this Agreement.

3.8 **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability attaches only to such provision and everything else in this Agreement continues in full force and effect.

3.9 **Receiver's Capacity.** The Receiver acts solely in its capacity as court-appointed receiver and manager of the Debtor and will have no personal or corporate liability under this Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first written above.

LOT G HOLDINGS LTD.

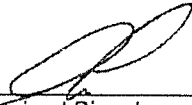
By:



Authorized Signatory *LEE RIGGS*

G. POWROZNIK GROUP INC., solely in its capacity as court-appointed receiver and manager of the assets, undertakings and properties of MORNINGSTAR GOLF CLUB LTD., and not in its personal capacity

By:



Authorized Signatory

SCHEDULE "A"

Legal Descriptions

Lot G

PID: 014-884-518, LOT G DISTRICT LOTS 81 AND 126, NANOOSE DISTRICT, PLAN 49145 EXCEPT PART IN PLANS VIP53112 AND VIP70880

MGC Lands

PID: 014-884-275, LOT A, DISTRICT LOTS 29, 81, 83 AND 126, NANOOSE DISTRICT, PLAN 49145, EXCEPT PARTS IN PLANS VIP51714, VIP52613, VIP76030 AND VIP79051

SCHEDULE "B.1"

Land Exchange

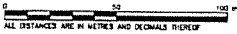
Subdivision 1

[See Attached]

SUBDIVISION PLAN OF LOT G, DISTRICT LOTS 81 AND 126, PLAN 49145 EXCEPT PART IN PLANS VP53112 AND VP70880; AND PART OF LOT A, DISTRICT LOTS 29, 81, 83 AND 126, PLAN 49145, EXCEPT PARTS IN PLANS VP51714, VP52813, VP78030 AND VP79051; ALL OF NANOOSE DISTRICT

PLAN EPP109379

BCGS 92F.039



THE INTENDED PLOT SIZE OF THIS PLAN IS 864 SQM IN AREA BY 600 METRES IN HEIGHT (20-812) WHEN PLOTTED AT A SCALE OF 1:1000

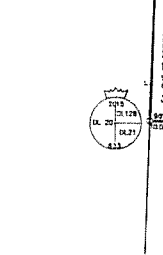
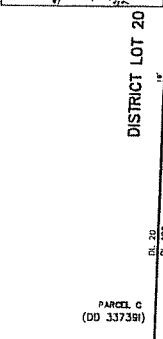
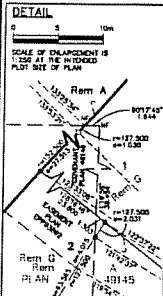
ORIG BEARINGS ARE DERIVED FROM DIFFERENTIAL GLOBAL FREQUENCY OBSERVATIONS AND ARE REFERRED TO THE CENTRAL MERIDIAN OF UTM ZONE 10 (131° WEST LONGITUDE)

THE UTM ZONE 10 COORDINATES AND ESTIMATED ABSOLUTE ACCURACY INDICED ARE DERIVED FROM DIFFERENTIAL GLOBAL FREQUENCY OBSERVATIONS USING THE PRECISE POINT POSITIONING SERVICE OF NATURAL RESOURCES CANADA

THIS PLAN SHOWS HORIZONTAL, ORIGINAL-LEVEL DISTANCES UNLESS OTHERWISE NOTED TO CORRECTED DISTANCES. ALL VERTICAL DISTANCES ARE DERIVED FROM THE AVERAGE CORRECTED FACTOR OF 0.999737. THE AVERAGE CORRECTED FACTOR HAS BEEN DETERMINED BASED ON AN ELLIPSOIDAL ELEVATION OF 30.73 METRES

- LEGEND:**
- | SYMBOLS | DESCRIPTION |
|-------------|------------------------|
| ROAD PLACED | |
| A | ODDS CONTROL STATION |
| □ | STANDARD CANNED POST |
| ● | STANDARD IRON POST |
| ○ | NON-STANDARD IRON POST |
| + | DENOTES ARC |
| + | DENOTES ADJUST |
| + | DENOTES CENTERLINE |
| DL | DENOTES DISTRICT LOT |
| hd | DENOTES HECTARE |
| WF | DENOTES WINDING ROAD |
| Rem | DENOTES REMAINDER |
| WT | DENOTES WINDING |

NOTE: THIS PLAN SHOWS ONE OR MORE INTERIOR POSTS WHICH ARE NOT SET ON THE TRUE CORNERS. SOME POSTS ARE ENLARGED FOR CLARITY



McGraw-Hill
HALSHAMNEY ASSOCIATES
LAND SURVEYING LTD.
 Suite 1
 1327 Fairview Road
 Nanaimo BC
 Canada V9S 3J3
 Tel 250 718 5338
 FILE NO. 2212-10493-03
 DRAWING NO. 05493-3-V-5 (REVISED)

TABLE OF UTM CONTROL STATIONS

UTM ZONE 10, NAD83 (EPSG) EPOCH 1987.0 (VANCOUVER ISLAND)	UTM NORTHING	UTM EASTING	POINT ESTABLISHED	ABSOLUTE ACCURACY
ZC01	3448372.83	4291612.00	0.8997120	0.02
ZC02	3448378.53	4291424.04	0.8997120	0.02

THIS PLAN LIES WITHIN THE JURISDICTION OF THE APPROVING OFFICER FOR THE MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE.
 THIS SUBDIVISION LIES WITHIN THE AGRICULTURAL LAND RESERVE. APPROVAL IS BEING GRANTED UNDER PART 2, SECTION 3 OF THE AGRICULTURAL LAND RESERVE GENERAL REGULATION S/7(2020).
 THIS PLAN LIES WITHIN THE REGIONAL DISTRICT OF NANAIMO. THE FIELD SURVEY APPROVED BY THIS REGIONAL DISTRICT OF NANAIMO ON THE 15th DAY OF MARCH 2021.
 TERRY CHOCORSTEAL, B.S. 1961

SCHEDULE "B.2"

Land Exchange

Subdivision 2

[See Attached]

**PROPOSED SUBDIVISION PLAN OF PART OF LOT 1;
AND LOT 2; BOTH OF DISTRICT LOT 128,
NANOOSE DISTRICT, PLAN EPP109379**

BCOS #2F.030

ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF

THE HORIZONTAL PLAN SIZE OF THIS PLAN IS 364 mm BY 500 mm IN HEIGHT (D-SIZE) WHEN PLOTTED AT A SCALE OF 1:1000

LEVEL READINGS ARE DERIVED FROM DIFFERENTIAL LEVEL FREQUENCY (DFF) OBSERVATIONS AND ARE REFERRED TO THE CENTRAL MERIDIAN OF UTM ZONE 10 (12 WEST LONGITUDE)

THE UTM ZONE IS COORDINATED AND ESTIMATED ABSOLUTE ACCURACY ACHIEVED AND DERIVED FROM DFF FREQUENCY (DFF) READINGS TO THE PRECISE POINT POSITIONING, BASED ON NAD83(CORS) 3.0 BCL PLAN

THIS PLAN SHOWS HORIZONTAL (GROUND-LEVEL) DISTANCES (AS SHOWN OTHERWISE NOTED) TO COMPLETE GRID DISTANCES, MULTIPLY GRID-DISTANCE, DIVIDED BY THE AVERAGE CORRECTION FACTOR OF 0.9997127. THE AVERAGE CORRECTION FACTOR HAS BEEN DETERMINED BASED ON AN ELLIPSOIDAL ELEVATION OF 303.7 METRES

LEGEND

SYMBOLS FOUND PLACED	DESCRIPTION
○	SWIS CONTROL STATION
⊙	STANDARD CAPPED POST
⊕	STANDARD IRON POST
+	DENOTES ANGLE
∠	DENOTES ANGLE
∠	DENOTES HECTARE
∠	DENOTES METRES SQUARE
Rem	DENOTES REMAINDER

NOTE: SOME POSTS ARE OMISSIONED FOR CLARITY.

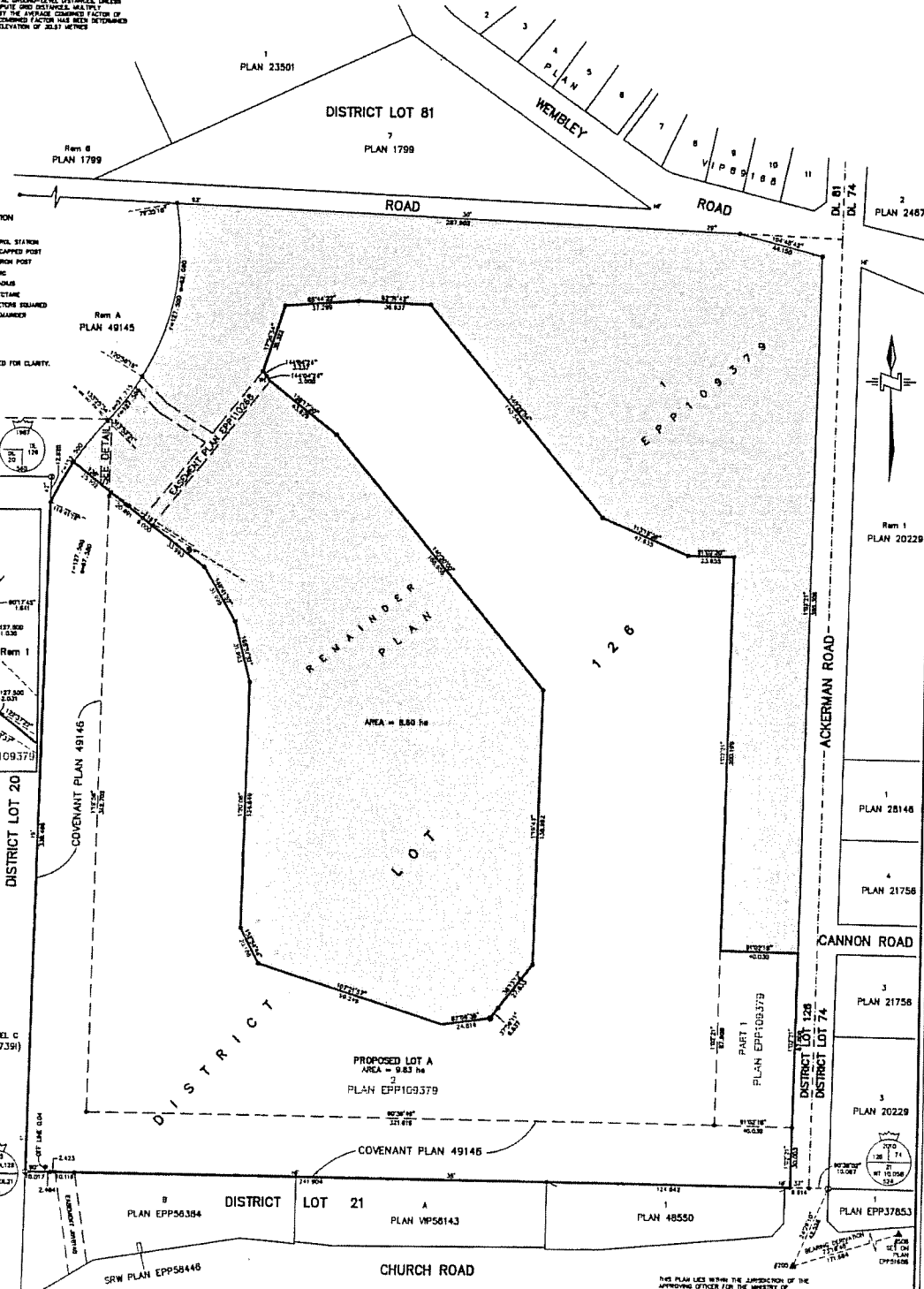
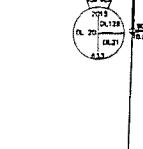
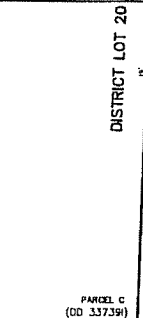
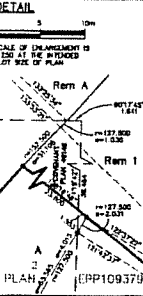


TABLE OF SWIS CONTROL STATIONS

SWIS CONTROL STATION	UTM NORTHING	UTM EASTING	POINT CORRECTION FACTOR	ABSOLUTE ACCURACY
1708	5444377.83	481978.08	0.9997128	0.02
1709	5444426.83	482140.44	0.9997127	0.02

M&H Surveying
M&H ASSOCIATES
LAND SURVEYING & D.L.
Suite 1
1321 Eastwood Road
Hemel Hempstead, Herts
Herts AL3 2JF
Tel: 01462 716 336
Fax: 01462 716 336
D.L. No. 2232-08472-03
DRAWING NO. 00493-3-V-1 P1/200

THIS PLAN LIES WITHIN THE JURISDICTION OF THE APPROVING OFFICER FOR THE MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE.
THIS SUBDIVISION LIES WITHIN THE AGRICULTURAL LAND RESERVE.
THIS PLAN LIES WITHIN THE REGIONAL DISTRICT OF NANANAO.
CERTIFIED CORRECT THIS 3rd DAY OF MAY, 2021.
TISON QUACKENBUSH, B.S.
THIS DOCUMENT IS NOT VALID UNLESS DIGITALLY SIGNED

SCHEDULE "C"

Lot G Subdivision Plan

[See Attached]

**PROPOSED SUBDIVISION PLAN OF LOT 1,
DISTRICT LOT 126, NANOOSE DISTRICT,
PLAN EPP109379, EXCEPT PART IN PLAN
EPP109380,**

BCGS 927.030



ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF
THE REDUCED PLAT SIZE OF THIS PLAN IS 894 mm IN
WIDTH BY 590 mm IN HEIGHT (8-1/2) WHEN PLOTTED AT
A SCALE OF 1:1000

ORIG BEARINGS AND DISTANCES DERIVED FROM DIFFERENTIAL DUAL FREQUENCY GNSS
OBSERVATIONS AND ARE REFERRED TO THE CENTRAL MERIDIAN OF UTM
ZONE 18 (18T WEST LONGITUDE)

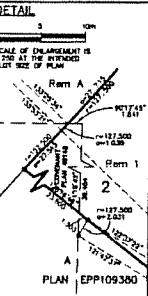
THE UTM ZONE IS COORDINATED AND ESTIMATED ABSOLUTE ACCURACY
ACHIEVED AND DERIVED FROM DUAL FREQUENCY GNSS BENCHMARK TIES TO
PRECISE POINT POSITIONING, BASED ON NAD83(CRS) 3.0 D.C.T.1914

THIS PLAN SHOWS HORIZONTAL GROUND-LEVEL DISTANCES UNLESS
SPECIALLY NOTED. TO COMPUTE GROUND DISTANCES, MULTIPLY
GROUND-LEVEL DISTANCES BY THE AVERAGE CORRECTION FACTOR OF
0.999717. THE AVERAGE CORRECTION FACTOR HAS BEEN DETERMINED
BASED ON AN ELLIPSOIDAL ELEVATION OF 30.57 METRES

LEGEND:

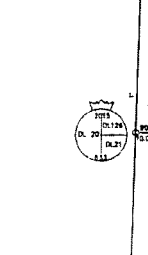
SYMBOLS	DESCRIPTION
▲	GNSS CONTROL STATION
⊙	STANDARD CAPED POST
⊙	STANDARD IRON POST
⊙	DEFLECTED ARC
⊙	DEFLECTED RADIUS
⊙	DEFLECTED HECTARE
⊙	DEFLECTED METRE SQUARE
⊙	DEFLECTED METRE SQUARE
⊙	DEFLECTED REMANENCE

NOTE:
SOME POSTS ARE ENLARGED FOR CLARITY.



SCALE OF ENLARGEMENT IS
1:200 AT THE REDUCED
PLAT SIZE OF PLAN

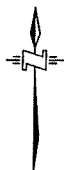
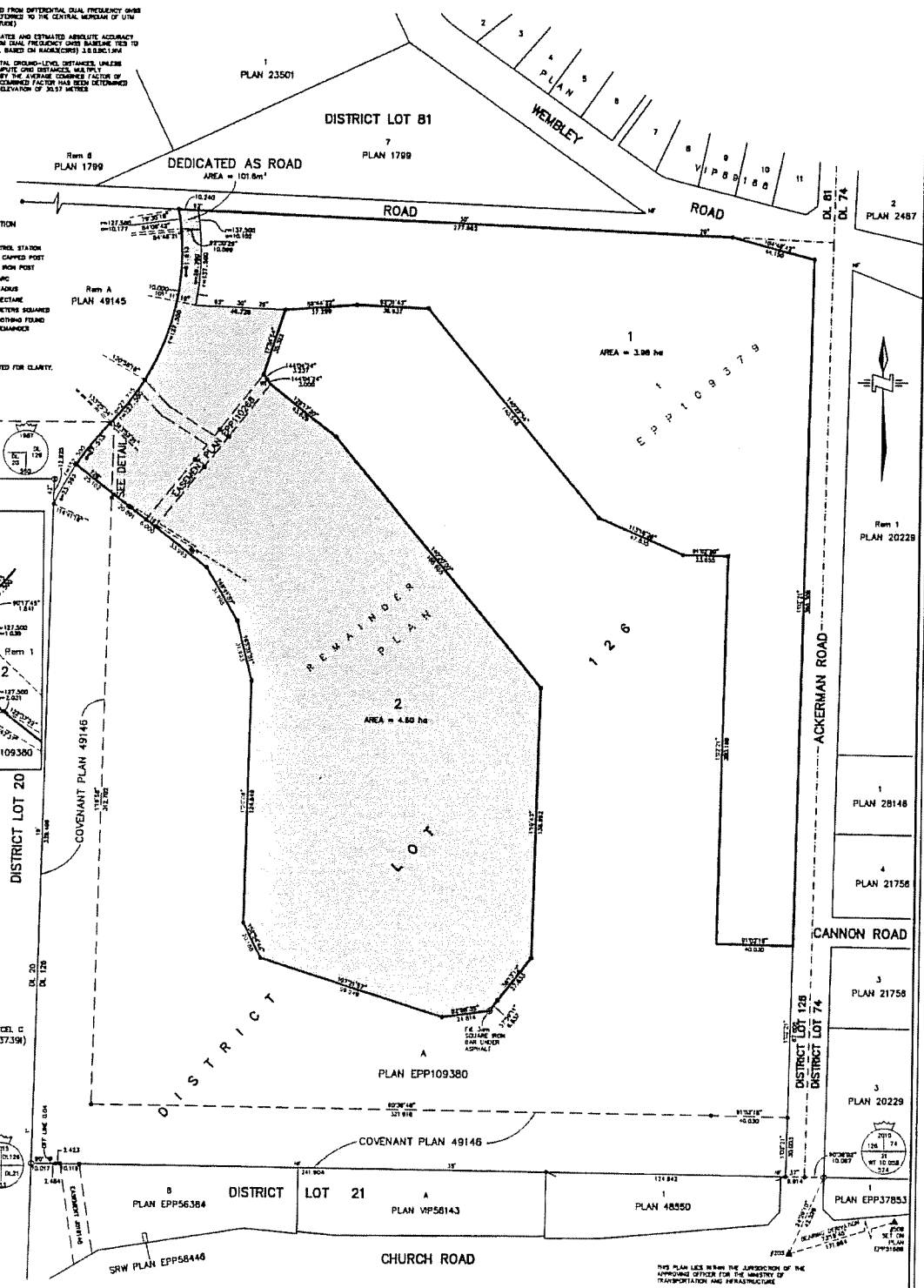
DISTRICT LOT 20
PARCEL C
(DD 33739)



COVENANT PLAN 49146
SRW PLAN EPP58444

MEASUREMENTS
SPECIALTY ASSOCIATES
LAND SURVEYING LTD.
Suite 1
1281 Fairview Road
Nanaimo BC
Canada V9S 3Y3
Tel: 250 755 3538
FILE NO. 2232-200495-03
DRAWING NO. 004950-1-1-1 PLSDNG

GNSS CONTROL STATION	UTM NORTHING	UTM EASTING	POINT COMPARISON FACTOR	PRECISE ACCURACY
7028	5464378.65	401816.00	0.999716	0.05
7029	5464378.83	401816.44	0.999722	0.07



THIS PLAN LIES WITHIN THE JURISDICTION OF THE
APPROVING OFFICER FOR THE MINISTRY OF
TRANSPORTATION AND INFRASTRUCTURE
THIS DIVISION LIES WITHIN THE AGRICULTURAL LAND RESERVE.
THIS PLAN LIES WITHIN THE REGIONAL DISTRICT OF NANAIMO
CERTIFIED CORRECT THIS 23rd DAY OF APRIL, 2021.

THIS DOCUMENT IS NOT VALID UNLESS DETAILED SIGNED

SCHEDULE "D"

Encroachments

[See attached]

**SKETCH PLAN SHOWING ENCROACHMENTS
ON LOT G, DISTRICT LOTS 81 AND 126,
NANOOSSE DISTRICT, PLAN 49145 EXCEPT
PART IN PLANS VIP53112 AND VIP70880**

BCGS 92F-030

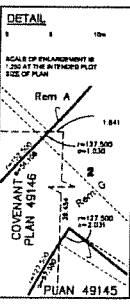


THE INTENDED PLOT SIZE OF THIS PLAN IS 844.00 m² IN WIDTH BY 300.00 m IN HEIGHT EXCEPT WHERE PLOTTED AT A SCALE OF 1:100.00
 CURVATURES ARE DERIVED FROM SPHEROIDAL EARTH FREQUENCY USING CONVENTIONAL AND ARE REFERRED TO THE CENTRAL MERIDIAN OF UTM ZONE 18
 THE UTM ZONE 18 COORDINATES AND ESTIMATED ABSOLUTE ACCURACY ACHIEVED ARE DERIVED FROM LOCAL FREQUENCY CURVATURE DATA TO PRECISE POINT POSITIONING BASED ON NANOSSE 3.0 S.B.C. LINE
 THIS PLAN SHOWS HORIZONTAL COORDINATE DISTANCES AND ANGLES OTHER THAN 90 DEGREES TO THE NEAREST 0.01 METRE AND 0.01 DEGREE BY THE AVERAGE COORDINATE FACTOR OF 0.999997. THE AVERAGE COORDINATE FACTOR HAS BEEN DETERMINED BASED ON AN ELLIPSOIDAL ELEVATION OF 3527 METRES

REGISTERED OWNER: LOT G HOLDINGS LTD
 P.O. BOX 84415
 NOTES:
 PARCEL ENCROACHMENTS ARE DERIVED FROM FIELD SURVEY AND EXISTING LAND TITLE OFFICE RECORDS BOUND PLAN 49145
 DATE OF FIELD SURVEY: NOVEMBER 8TH, 2018
 THIS DOCUMENT SHALL NOT BE USED TO DEFINE PROPERTY LINES OR PROPERTY CORNERS.
 CONTOUR INTERVAL IS 0.5 METRES.
 CONTOURS SHOWN WERE DERIVED FROM REM GIS MAPPING. CONTAINS INFORMATION LICENSED UNDER THE OPEN GOVERNMENT LICENCE, PROVINCE OF BRITISH COLUMBIA.
 CURRENT ZONING ACT AND PLAN FOR THE NON ZONING BYLAW 805
 UTM ZONE 18 SHOWN WERE DERIVED FROM NANOSSE 3.0 S.B.C.

LEGEND:

SYMBOLS	DESCRIPTION
▲	SPIN CONTROL STATION
▲	STANDARD CORNER POST
●	STANDARD PIVOT POINT
+	DELETED AND
+	DELETED ANGLE
+	DELETED BEARING
+	DELETED DISTANCE
+	DELETED NOTING POINT
+	DELETED DIMENSION
+	DELETED CALCULATED
+	WATER VALVE
+	FIRE HYDRANT
+	STONE MANHOLE
+	SEWAGE MANHOLE
+	IRRIGATION VALVE
+	TREE CENTERLINE
+	FREELINE
+	TOP OF BANK
+	DITCH



DETAIL
 SCALE OF ENLARGEMENT IS 1:200 AT THE CENTER POINT OF THE PLAN
 Rem A
 COVENANT PLAN 49145
 PLAN 49145

DISTRICT LOT 20
 COVENANT PLAN 49145
 PARCEL C (DO 337391)
 SRW PLAN EPP58448

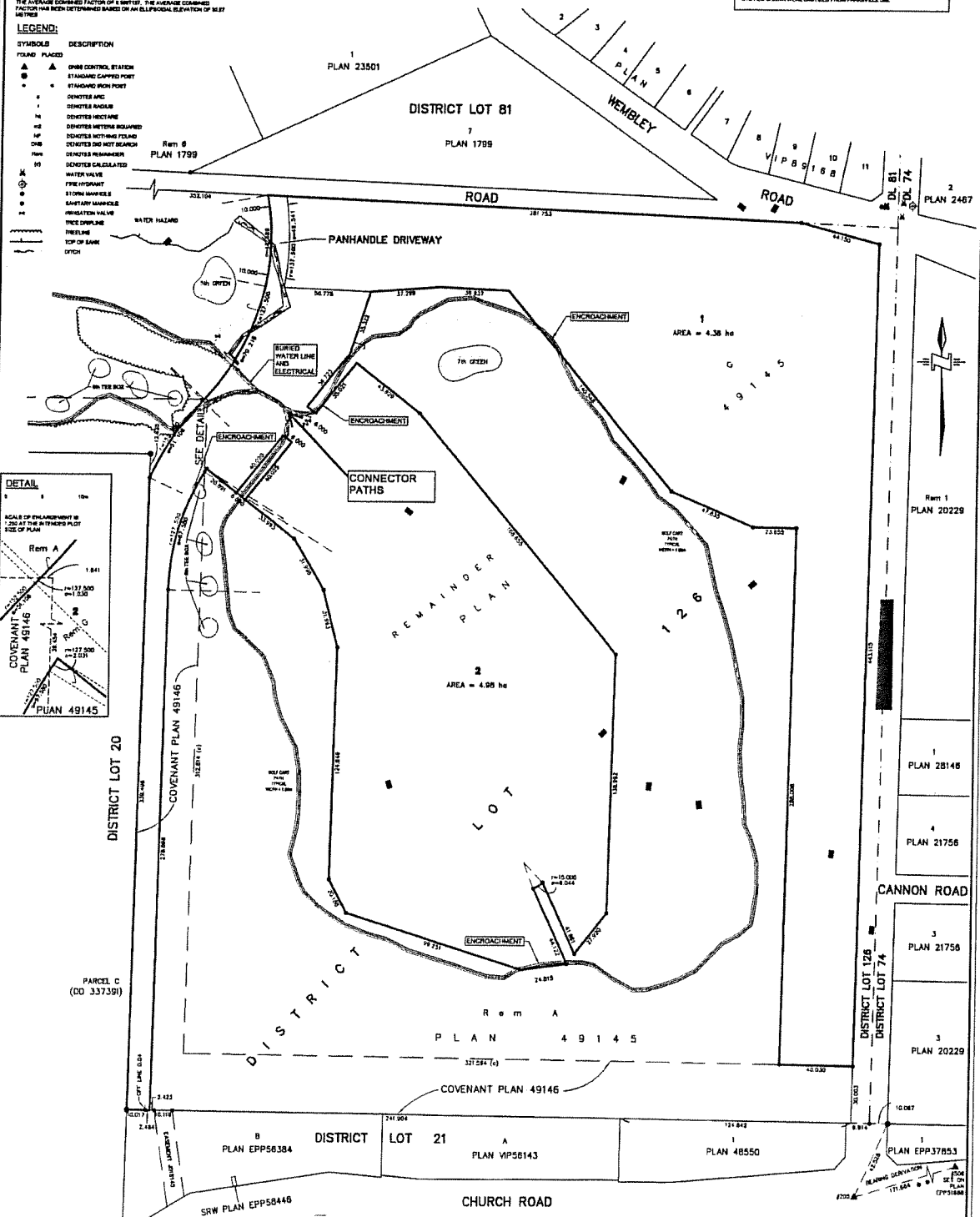
WILLIAMSON ASSOCIATES
 LAND SURVEYORS LTD.
 1151 Esplanade
 Nanaimo BC
 Canada V9S 3T3
 Tel: 250 744 3388
 Fax: 250 744 3389
 1151 Esplanade
 Nanaimo BC V9S 3T3
 CANADA TEL: (250) 744-3388 FAX: (250) 744-3389

**TABLE OF SPIN CONTROL STATIONS
 NANOOSSE (CRS) 3.0 S.B.C. VIA UTM ZONE 18**

SPIN CONTROL STATION	UTM NORTHING	UTM EASTING	POINT CORNER FACTOR	ABSOLUTE ACCURACY
P205	5464371.85	421678.00	0.9999720	0.05
P208	5464378.93	421642.44	0.9999722	0.07

THIS PLAN LIES WITHIN THE REGIONAL DISTRICT OF NANAIMO
 CERTIFIED CORRECT THIS 14th DAY OF JUNE, 2018

1:500000000
 THIS DOCUMENT IS NOT VALID UNLESS DIGITALLY SIGNED



Rem 1
 PLAN 20229

1
 PLAN 28146

4
 PLAN 21756

3
 PLAN 21756

3
 PLAN 20229

1
 PLAN EPP37853

SCHEDULE "E"

Strip, Notches and Postage Stamp

[See attached]

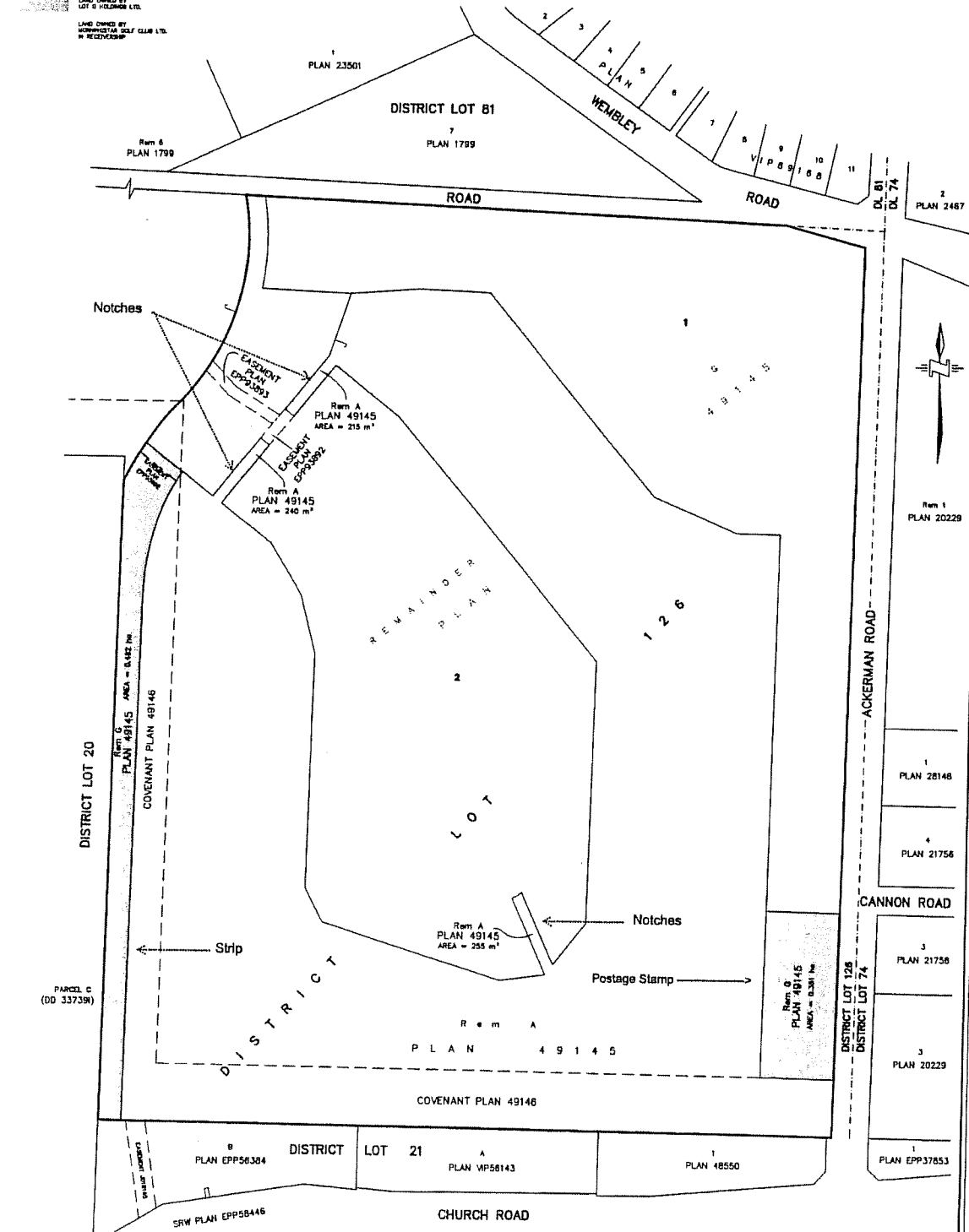
SKETCH PLAN SHOWING LAND EXCHANGE
SCENARIO #2 BETWEEN LOT G HOLDINGS
LTD AND MORNINGSTAR GOLF CLUB LTD
IN RECEIVERSHIP

DRAFT

BCGS 92F.030

0 50 100 m
ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF
THE INTENDED PRINT SIZE OF THIS PLAN IS 884 mm x 610 mm
WITH BY 500 mm IN HEIGHT (D=812) WHEN PLOTTED AT
A SCALE OF 1:1000

LAND OWNED BY
LOT G HOLDINGS LTD.
LAND OWNED BY
MORNINGSTAR GOLF CLUB LTD.
IN RECEIVERSHIP



Moller-Harvey
MAGNANNEY ASSOCIATES
LAND SURVEYING LTD.
Suite 1
1321 Exchange Road
Nanaimo, BC
Canada V9S 3Y3
41-250 716 3338
FAX NO. 251-2545-02
DRIVING AND CONVEY-1-V-4 C22 2ND

THIS PLAN LIES WITHIN THE JURISDICTION OF THE
APPROVING OFFICER FOR THE MINISTRY OF
TRANSPORTATION AND INFRASTRUCTURE.
THIS SUBDIVISION LIES WITHIN THE AGRICULTURAL LAND RESERVE.
THIS PLAN LIES WITHIN THE REGIONAL DISTRICT OF NANAIMO

SCHEDULE "F.1"

New Golf Cart and Utilities Easement Terms of Instrument

TERMS OF INSTRUMENT – PART 2

EASEMENT

THIS AGREEMENT made the June 11, 2021

BETWEEN:

LOT G HOLDINGS LTD. (Inc. No. BC0554848), of
#330 - 435 Columbia Street, New Westminster, British Columbia, V5L 5N8
(the "Grantor")

AND:

MORNINGSTAR GOLF CLUB LTD. (Inc. No. BC0789885), of #250 – 750 West
Pender Street, Vancouver, British Columbia, V6C 2T7
(the "Grantee")

WHEREAS:

- A. The Grantor is the registered owner of the lands and premises legally described as:
Parcel Identifier 014-884-518
Lot G, District Lots 81 and 126, Nanoose District, Plan 49145 except part in Plans
VIP53112 and VIP70880
(the "Servient Tenement").
- B. The Grantee is the registered owner of the lands and premises legally described as:
Parcel Identifier 014-884-275, Lot A, District Lots 29, 81, 83 and 126, Nanoose District,
Plan 49145, except parts in Plans VIP51714, VIP52613, VIP76030 and VIP79051
(the "Dominant Tenement").
- C. The Grantee operates the Golf Course, as hereinafter defined, on the Dominant
Tenement.
- D. The Grantor has agreed to grant to the Grantee certain easements for the purposes of
access to the Dominant Tenement, in perpetuity, all in accordance with and subject to the
terms of this Agreement.
- E. The parties have agreed to enter into this Agreement in respect of the easement hereby
granted over the Servient Tenement, as set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the agreements
herein contained and the sum of one (\$1.00) dollar now paid by each of the parties hereto to the
other, and in good and valuable consideration the receipt and sufficiency of which is hereby
acknowledged by each party, the parties covenant and agree as follows:

1. Definitions

- (a) "**Dominant Tenement**" has the meaning ascribed to it in Recital B;
- (b) "**Easement Areas**" means those portions of the Servient Tenement which are shown outlined in heavy black and labelled on Reference Plan EPP110268, a copy of which is attached hereto as Schedule "A";
- (c) "**Golf Course**" means the Morningstar golf course situated on the Dominant Tenement and located at 525 Lowry's Road, Parksville, British Columbia;
- (d) "**Grantee's Obligations**" has the meaning ascribed to it in Section 9;
- (e) "**Hole 6**" means the sixth hole located within the Golf Course as at the time of this Agreement;
- (f) "**Hole 7**" means the seventh hole located within the Golf Course as at the time of this Agreement;
- (g) "**Initiating Party**" has the meaning ascribed to it in Section 12;
- (h) "**Responding Party**" has the meaning ascribed to it in Section 12;
- (i) "**Servient Tenement**" has the meaning ascribed to it in Recital A;
- (j) "**Underground Services**" means the existing underground water line and power line located underneath the Easement Area and their respective appurtenances, owned by the Grantee; and
- (k) "**Users**" means the Grantee and its employees, licensees, servants, agents, officers, contractors, licensees, guests, golf club members, and invitees from time to time of all or any part of the Dominant Tenement, for whose benefit and use the easement rights described in Section 2 are granted, and their respective successors and assigns.

2. The Grantor hereby grants to the Users the non-exclusive, perpetual, full, free and uninterrupted right, licence, liberty and permission at all times to enter, with or without vehicles, over the Easement Areas for the purposes of:

- a) maintaining, repairing, and replacing the Underground Services
- b) ingress and egress to and from Hole 6 and/or Hole 7; and
- c) to maintain, repair, and replace the pedestrian and vehicle paths located within the Easement Areas and on or adjacent to Hole 6 and Hole 7,

subject nevertheless at all times to the provisos, reservations, restrictions and limitations herein set forth.

3. The Grantor shall not do or permit to be done any act or thing which might interfere with, obstruct or impair the use of the Easement Areas, but rather shall permit the Grantee to peaceably hold and enjoy the rights hereby granted.
4. Nothing contained in Section 2 of this Agreement shall be interpreted so as to restrict or prevent the Grantor from entering, passing in over and upon all or any part of the Easement Areas on foot or wheelchair, bicycle, or similar modes of conveyance with or without supplies and equipment for the purposes of accessing the Servient Tenement, provided that access does not interfere with the rights of the Users under the easement granted in Section 2 hereof.
5. The Grantee shall have the responsibility and obligation for the maintenance and repair of the Easement Area and the Improvements located thereon including, without limitation, the Undergrounds Services.
6. The Grantee shall be permitted to construct new improvements on the Easement Areas for the same purpose as the existing improvements provided that the Grantee obtain prior consent from the Grantor, which consent shall not be unreasonably withheld.
7. Except for any loss, damage or expense incurred as a result of the Grantor's gross negligence, the Grantee shall at all times indemnify and save harmless the Grantor from any and all loss, damages or other expenses for personal injury or damage to property in any way including, without limitation, for any claims under the *Occupier's Liability Act*, arising from the use of the Easement Areas by the Users pursuant to the rights granted herein.
8. The easement over the Easement Areas and the covenants of the Grantor herein shall run with and be registered against the title to the Servient Tenement and be binding upon the registered owners, tenants and occupants thereof for the time being and from time to time and shall enure to the benefit of the Dominant Tenement and the registered owners and tenants thereof for the time being and from time to time and shall be enforceable by the Grantee and its tenants and successors in title to the Dominant Tenement against the Grantor and its tenants and successors in title to the Servient Tenement provided that:
 - (a) the benefits and obligations of the Grantee herein may only be enjoyed by the Grantee and be binding personally upon the Grantee, as the case may be, for that period of time during which the Grantee is the owner of the Dominant Tenement and no person shall be entitled to enjoy any benefit or be personally liable for any covenant of the Grantee herein contained except during the period in which that person has an interest, either in whole or in part, in the Dominant Tenement; and
 - (b) the obligations of the Grantor herein are only personally binding on the Grantor for that period of time during which the Grantor is the owner of the Servient Tenement and no person shall be personally liable for any covenant of the Grantor herein contained except during the period in which that person has an interest, either in whole or in part, in the Servient Tenement.
9. The right to enforce the Grantee's obligations under this easement, including, without limitation, the Grantee's obligation to maintain the improvements on the Easement Area set out in Section 5, the Grantee's obligation to indemnify the Grantor set out in Section 7

(the "Grantee's Obligations"), shall enure to the benefit of the Servient Tenement and the successors in title to the Grantor as owner of the Servient Tenement and such owners' respective servants, agents, licensees, invitees, subleasees, assigns and successors. The parties expressly acknowledge and agree that the rights granted to the Grantee under this easement are conditional upon the performance by the Grantee and its successors in title of the Grantee's Obligations and in the event that the Grantee or its successors in title to the Dominant Tenement refuse or are unable to perform the Grantee's Obligations this easement and the rights granted hereunder shall, upon notice by the Grantor or its successors in title, be terminated and of no further force or effect.

10. This Agreement will not in any way operate to restrict the Grantor from using the Servient Tenement in any manner, including the constructing, building, installing or placing a building, development or other improvement on the Servient Tenement, excluding the Easement Areas, provided that such use by the Grantor shall not interfere with or derogate from the rights granted to the Grantee hereunder.
11. The parties will act reasonably at all times in exercising their rights, forming their opinions and performing their duties hereunder.
12. If the Grantee and the Grantor are unable to resolve any dispute with respect to this Easement Agreement, such dispute will be determined by arbitration. Any party (the "Initiating Party") may give notice to the other party (the "Responding Party") requesting an arbitration and the parties will thereupon select an arbitrator. If the parties are not able to agree upon an arbitrator within ten (10) days of the delivery of the notice requesting an arbitration, then either party will be entitled to make application to Court pursuant to the *Arbitration Act* (British Columbia), as amended from time to time, for selection of an arbitrator, and the provisions of the *Arbitration Act* (British Columbia) will govern such election. The arbitrator so appointed will proceed immediately to hear and determine the dispute and his or her decision and the reasons therefore will be made within thirty (30) days of the appointment, subject to any reasonable delay due to unavoidable circumstances. The determination of the arbitrator will be conclusive upon the parties and judgment upon same may be entered in any court having jurisdiction. The decision and the reasons therefore will be signed by the arbitrator and will be final and binding on the Grantee and the Grantor. The compensation and expenses of the arbitrator will (unless the arbitrator otherwise determines) be paid equally by the Grantee and the Grantor.
13. Waiver of any default by any party will not be deemed to be a waiver of any subsequent default by that party.
14. Whenever it is required or desired that either party serve notice on the other, service will be deemed to be satisfactory if and deemed to have occurred when the party being served has been served personally at the applicable address set out above.
15. This Agreement will be governed and construed in accordance with the laws in force in the Province of British Columbia.
16. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
17. If any section, subsection, sentence, clause or phrase in this Agreement is for any reason held to be invalid by the decision of a court of competent jurisdiction, the invalid portion

will be severed and the decision that is invalid will not affect the validity of the remainder of the Agreement.

18. Wherever the terms "Grantor" and "Grantee" are used herein, the same shall be construed as meaning the plural, masculine, feminine or body corporate or politic, where the context or the parties so require.

IN WITNESS WHEREOF the parties hereto have executed this Easement Agreement by executing the Form C attached to and forming part of this Agreement.

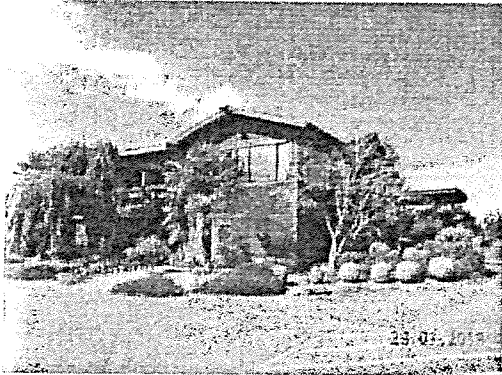
SCHEDULE 9 - Buildings and Fixtures

BUILDINGS AND FIXTURES
As of March 31, 2021

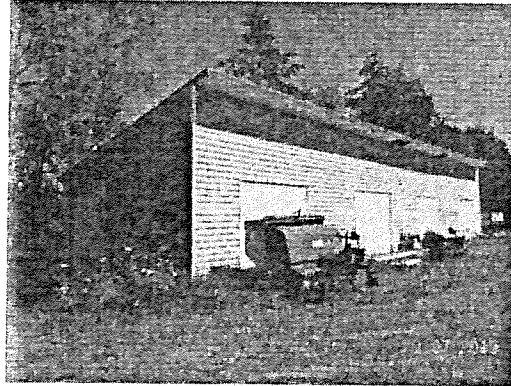
BUILDING AND FIXTURE NAME

- CLUBHOUSE
- PRO SHOP
- GREENS KEEPER OUTBUILDING
- MAINTENANCE
- CART STORAGE
- WASHROOMS (13TH HOLE)
- WASHROOMS (5TH HOLE)
- PUMP HOUSE
- RANGE SHACK
- GAZEBO
- PAVILION
- STARTERS SHED
- YARD IMPROVEMENTS

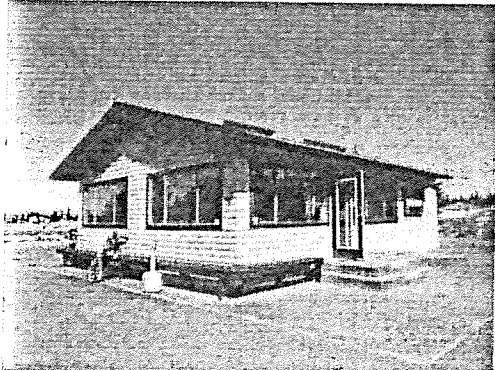
CLUBHOUSE



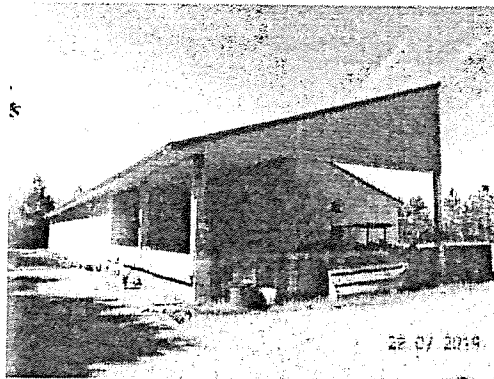
GREENS KEEPER OUTBUILDING



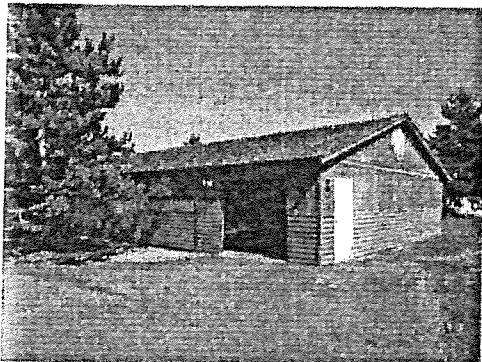
PRO SHOP



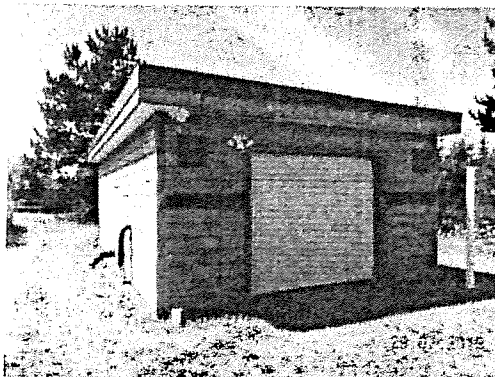
MAINTENANCE



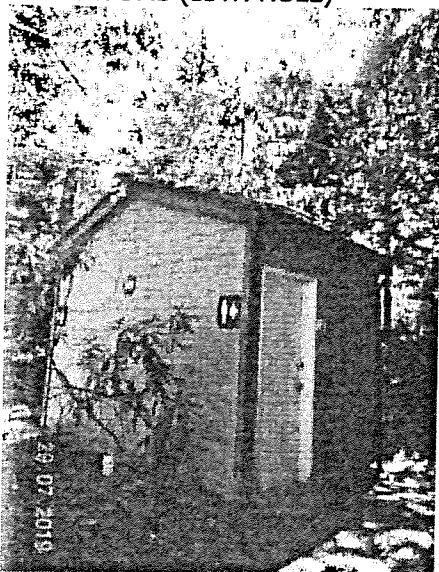
CART STORAGE



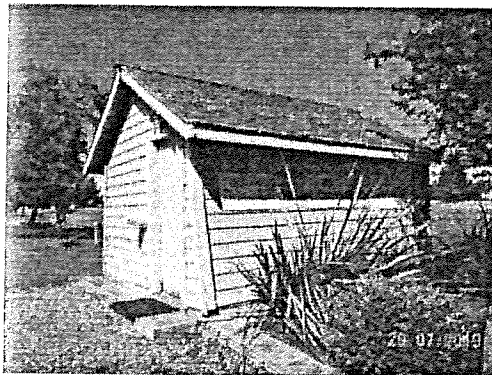
PUMP HOUSE



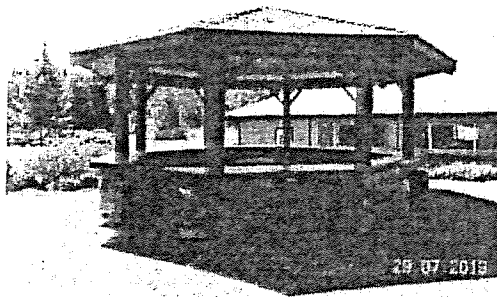
WASHROOMS (13TH HOLE)



RANGE SHACK



GAZEBO



WASHROOMS (5TH HOLE)



PAVILION



YARD / SITE IMPROVEMENTS

ASPHALT PAVING, CART PATHS, LANDSCAPING, WATER FEATURES, CHAINLINK FENCING TO MAINTENANCE YARD, STEEL AND WOOD BRIDGES, THREE (3) WATER WELLS, IRRIGATION SYSTEM, DRIVING RANGE SHELTERS WOOD STORAGE SHED.

SCHEDULE 10 - Purchase Price Allocation

Land	\$4,000,000
Land Improvements	\$150,000
Buildings	\$300,000
Equipment	\$50,000
Total:	\$4,500,000

Schedule "B"

Receiver's Closing Confirmation Certificate

No. S186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

RECEIVER'S CERTIFICATE

- A. By Order pronounced on June 1, 2018, (the "**Receivership Order**") by Madam Justice MacNaughton of the Supreme Court of British Columbia, G. Powroznik Group Inc. of G-Force Group was appointed as the Receiver of the assets, undertakings and property of Morningstar Golf Club Ltd. (and in such capacity, the "**Receiver**").
- B. Pursuant to an order of the Court dated June ____, 2021 (the "**Sale Approval, Vesting and Termination Order**"), the Court approved the asset purchase agreement between Realcor Golf Inc. ("**RGI**") and the Receiver (the "**APA**").
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Approval, Vesting and Termination Order.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Receiver has received the Purchase Price and all conditions of Closing have been satisfied or waived by the applicable parties.

This Certificate was delivered by the Receiver
at [TIME] on _____ 2021.

G. Powroznik Group Inc. of G-Force Group, in its capacity as the Receiver Morningstar Golf Club Ltd., and not in its personal capacity:

Per:

Name

Schedule "C"
Permitted Encumbrances

The lands and premises with an address at 525 Lowry's Road, Parksville, British Columbia and legally described as:

Parcel Identifier: 014-884-275

LOT A, DISTRICT LOTS 29, 81, 83 AND 126, NANOOSE DISTRICT, PLAN 49145,
EXCEPT PARTS IN PLANS VIP51714, VIP52613, VIP76030 AND VIP79051

Permitted Encumbrances (unaffected by the Vesting Order)

Legal Notations:

1. THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT; SEE AGRICULTURAL LAND RESERVE PLAN NO. 5, DEPOSITED 26 JULY 1974;
2. THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 29 OF THE MUNICIPAL ACT (SEE DF ED115978);
3. HERETO IS ANNEXED EASEMENT EH137064 OVER THAT PART OF LOT 1, PLAN 8903, EXCEPT PARTS IN PLANS 26472, 32898, 45632, 45825, 49145 AND VIP52613 SHOWN ON PLAN VIP59866;
4. HERETO INTER ALIA IS ANNEXED EASEMENT EV155454 OVER THAT PART OF LOTS 2 AND 3, PLAN VIP55697 SHOWN ON PLAN VIP76280;
5. HERETO IS ANNEXED EASEMENT EX74423 OVER THAT PART OF LOT 15, PLAN VIP79051 SHOWN ON PLAN VIP79053;
6. HERETO IS ANNEXED EASEMENT EX74424 OVER THAT PART OF LOT 19, PLAN VIP79051 SHOWN ON PLAN VIP79053;
7. HERETO IS ANNEXED RESTRICTIVE COVENANT EX74425 OVER THOSE PARTS OF LOTS 7, 8, 12, 13, 14, 15, 16, 17, 18, AND 19, PLAN VIP79051 SHOWN ON PLAN VIP79054;
8. HERETO IS ANNEXED RESTRICTIVE COVENANT EX92037 OVER PART OF LOTS 3, 4, 10, 11, 12 & 13, ALL OF PLAN VIP79269 AS SHOWN ON PLAN VIP79270.

Charges, Liens and Interests:

1. Exceptions and Reservations M76300 in favour of Esquimalt and Nanaimo Railway Company;
2. Undersurface Rights S6060 in favour of Weyerhaeuser Company Limited;

3. Covenant S97207 in favour of Her Majesty the Queen in Right of the Province of British Columbia and Regional District of Nanaimo;
4. Statutory Right of Way S97213 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
5. Undersurface and other Exc & Res EC103437 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
6. Covenant EC95138 in favour of Her Majesty the Queen in Right of the Province of British Columbia and Regional District of Nanaimo;
7. Statutory Right of Way EC95146 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
8. Covenant EC98512 in favour of Provincial Agricultural Land Commission;
9. Statutory Right of Way EF171715 in favour of Epcor Water (West) Inc.;
10. Statutory Right of Way EF171717 in favour of Regional District of Nanaimo;
11. Easement EG41354;
12. Statutory Right of Way EH128035 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
13. Easement EH137066;
14. Covenant EL99059 in favour of Regional District of Nanaimo.

Schedule "D"

Receiver's Termination Certificate

No. S186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

RECEIVER'S CERTIFICATE

- A. By Order pronounced on June 1, 2018, (the "**Receivership Order**") by Madam Justice MacNaughton of the Supreme Court of British Columbia, G. Powroznik Group Inc. of G-Force Group was appointed as the Receiver of the assets, undertakings and property of Morningstar Golf Club Ltd. (and in such capacity, the "**Receiver**").
- B. Pursuant to an order of the Court dated June ____, 2021 (the "**Sale Approval, Vesting and Termination Order**"), the Court authorized these within proceedings be terminated by delivery of a Receiver's Certificate and upon delivery, the Receiver's Charge, granted in the Receivership Order, will be terminated, released and discharged, and shall be of no further force or effect.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Approval, Vesting and Termination Order.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Receiver's Charge is hereby terminated, released and discharged, and shall be of no further force or effect.
2. The within proceedings are terminated.

This Certificate was delivered by the Receiver at [TIME] on _____ 2021.

G. Powroznik Group Inc. of G-Force Group, in its capacity as the Receiver Morningstar Golf Club Ltd., and not in its personal capacity:

Per:

Name

No. S186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

ORDER MADE AFTER APPLICATION

**(SALE APPROVAL, VESTING, AND TERMINATION
ORDER)**

DLA Piper (Canada) LLP
Barristers & Solicitors
2800 Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 074081-00004

JDB/day

No. S186288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

REALCOR MORTGAGE CORP.

PETITIONER

AND:

MORNINGSTAR GOLF CLUB LTD.
CANADIAN WESTERN BANK
NATIONAL LEASING GROUP INC.
ROYNAT INC.
ICE CUBE LEASING INC.

RESPONDENTS

NOTICE OF APPLICATION

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Vancouver, BC V6C 2Z7

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